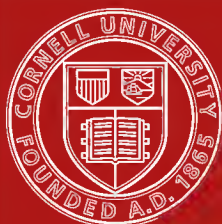


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TARIFF HEARINGS

BEFORE THE COMMITTEE ON
WAYS AND MEANS OF THE
HOUSE OF REPRESENTATIVES

SIXTIETH CONGRESS

1908-1909

SCHEDULE D

Wood, and Manufactures of



WASHINGTON
GOVERNMENT PRINTING OFFICE

1909

12336

COMMITTEE ON WAYS AND MEANS.

HOUSE OF REPRESENTATIVES.

SERENO E. PAYNE, *Chairman.*

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OSCAR W. UNDERWOOD.
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CHOICE B. RANDELL.

WILLIAM K. PAYNE, *Clerk.*

P R E F A C E .

Tariff hearings were begun on November 10, 1908, pursuant to the following notice:

The Committee on Ways and Means will hold hearings on tariff revision, at Washington, D. C., commencing on the following dates:

Tuesday, November 10, 1908, on Schedule A—Chemicals, oils, and paints.

Thursday, November 12, 1908, on Schedule H—Spirits, wines, and other beverages.

Friday, November 13, 1908, on Schedule F—Tobacco, and manufactures of.

Monday, November 16, 1908, on Schedule E—Sugar, molasses, and manufactures of.

Wednesday, November 18, 1908, on Schedule G—Agricultural products and provisions.

Friday, November 20, 1908, on Schedule D—Wood, and manufactures of.

Saturday, November 21, 1908, on Schedule M—Pulp, papers, and books.

Monday, November 23, 1908, on Schedule B—Earths, earthenware, and glassware.

Wednesday, November 25, 1908, on Schedule C—Metals, and manufactures of.

Saturday, November 28, 1908, on Schedule N—Sundries.

Monday, November 30, 1908, on Schedule J—Flax, hemp, and jute, and manufactures of.

Tuesday, December 1, 1908, on Schedule I—Cotton manufactures, and on Schedule L—Silks and silk goods.

Wednesday, December 2, 1908, on Schedule K—Wool, and manufactures of.

Friday, December 4, 1908, on Sections 3-34, and miscellaneous matters.

Hearings on articles now on free list will be held on the above dates in connection with the above subjects to which they most nearly relate.

The hearings will be held in the rooms of the committee, third floor, House of Representatives Office Building.

Sessions will begin at 9.30 a. m. and 2 p. m., unless otherwise ordered.

Persons desiring to be heard should apply to the clerk of the committee previous to the day set for the hearing, to be assigned a place on the programme for that day. A person making such application should state:

1. His name.
2. His permanent address.
3. His temporary address in Washington.
4. Whom he represents.
5. Concerning what paragraphs he desires to be heard.
6. Briefly, what position he expects to advocate.
7. How much time he wishes to occupy.

He should also inclose a copy of his brief and of any documents he desires filed with the committee.

All briefs and other papers filed with the committee should have indorsed on them the name and address of the person submitting them, and the numbers of the paragraphs of the present law (act of July 24, 1897) to which they relate.

WILLIAM K. PAYNE,

Clerk, Committee on Ways and Means.

The committee subsequently extended the time for hearings to December 24, 1908.

REMARKS BY THE CHAIRMAN.

Tuesday, November 10, 1908, the chairman of the committee, Hon. S. E. Payne, opened the public hearings with the following remarks:

Gentlemen, the hearings will commence at half past 9 in the morning and continue until 1 o'clock, when a recess will be taken until 2 o'clock. The hearings will then be resumed in the afternoon at 2 o'clock, and if it becomes necessary to take a recess at 6 o'clock the committee can do so and continue the hearings at 8 o'clock.

The opening hearing this morning, as you are aware, is upon the chemical schedule of the tariff, and it is the desire of the committee to hear the parties interested and others who may desire to speak on the subject embraced in the schedule, and also concerning the chemicals on the free list, and so with each paragraph of the bill as we proceed, so that the discussion may continue intelligently, involving every item connected with the subject.

The committee has no apologies to make for the bad acoustics of the hall, as we have nothing to do with that feature. We hope the people in attendance will be able to hear, and I would caution those in attendance that they speak in a sufficiently loud tone of voice that the committee can hear.

December 22, 1908, at the close of the formal hearings, the chairman said:

Gentlemen, in accordance with the resolution of the committee passed two weeks ago this closes the hearings and there will be no further hearings by the committee unless they desire information on some subject and invite gentlemen to be present to give them that information—that is, there will be no hearings for volunteers as distinguished from those who may be sent for by the committee. Of course, any persons desiring to present briefs and file them can do so, and they will be printed with the hearings. The only difficulty in regard to that is that if they are not brought in promptly they will be printed in a subsequent volume. I think we have material now for five or six volumes, and belated briefs and papers will be printed in a subsequent volume with the index.

Before we adjourn I want to thank the members of the committee for their uniform courtesy, and especially their indefatigable inquiries tending to bring out the facts in reference to the tariff and in order to aid in perfecting the bill. I think the minority members of the committee especially are entitled to thanks for their perseverance and patience in getting at the facts.

Mr. COCKRAN. As the senior member of the minority, Mr. Chairman, I want to say that nothing could be fairer than the manner in which this investigation has been conducted, and no inquiry could be fuller in its scope or more fruitful in its results.

The CHAIRMAN. The chairman is very much gratified at the gentleman's statement. The committee will now stand adjourned.

SCHEDULE D.

WOOD AND MANUFACTURES OF.

SCHEDULE D—WOOD, AND MANUFACTURES OF.

LUMBER.

STATEMENT OF THEODORE M. KNAPPEN, OF MINNEAPOLIS, MINN., SECRETARY OF THE NATIONAL FOREST CONSERVATION LEAGUE RELATIVE TO FREE LUMBER.

FRIDAY, *November 20, 1908.*

The CHAIRMAN. Please state to the committee your full name and residence.

Mr. KNAPPEN. Theodore M. Knappen, Minneapolis, Minn.

The CHAIRMAN. And your occupation?

Mr. KNAPPEN. I am engaged in the real estate business. I appear here as a representative of the general public, and also as secretary of an organization known as the National Forest Conservation League.

The CHAIRMAN. You may proceed.

Mr. KNAPPEN. Gentlemen of the Ways and Means Committee of the House of Representatives, I desire to submit some considerations in favor of the repeal of the tariff on lumber and forest products generally. It appears to us that there is a very direct connection between forest conservation and the tariff. We desire to address you from the standpoint of general national welfare and from the standpoint of the consumer of forest products, especially lumber. We are confident that there is an overwhelming public opinion in favor of the repeal of Schedule D, in general, though from lack of knowledge of facts regarding some of the items embraced in that schedule we would not undertake to say that everything therein should be placed on the free list, but there is no doubt in our minds that the tariff should be repealed on all items covering forest products, lumber, and unmanufactured wood which are produced in the United States.

In all tariff legislation those who are or who imagine they will be directly and extensively affected in their individual business interests are naturally ready and keen to present their side of the case. As a rule, what is the interest of the people as a whole affects each individual in his own business, and at the passing moment so slightly that interests which in the aggregate are immense and overpowering often lack a proper presentation. Our league has therefore resolved to concern itself with this matter, and it is our hope to eventually make a showing that will prove what we believe is a fact, namely, that the common interests of the great consuming population of this country, and also those of national welfare, call for the repeal of the tariffs on forest products.

Throughout a large part of the country the people feel that it is unwise to tax importation of those raw products of which there is, so to speak, but one crop, such as coal, ores, and, practically, timber. It seems to them good national economy to conserve the domestic supply of such products. The case of timber seems the most pressing, because we are now at least within a measurable time of its exhaustion. So we find that the President of the United States, in his last annual message, recommended free forest products; that the legislature of the State of Wisconsin has memorialized Congress to repeal the duty on lumber (and until recently Wisconsin was one of the greatest lumber-producing States and is still near the top); that the 1908 Republican platforms of Minnesota and North Dakota call for the repeal of the duties on forest products, so also the Democratic national platform, and the Republican national platform makes a general declaration that many people have interpreted to mean repeal or reduction of the lumber duties. At any rate, those who are opposed to the repeal or revision of the lumber tariff characterize the Republican declaration as "dangerous to the lumber industry." Only yesterday the national organization of the Grange, representing a million farmers, adopted resolutions calling for the repeal of the duties on forest products. The Republican party is pledged to tariff revision, and the people will look to the lumber schedule as much as any other for a realization of that pledge.

In this paper we propose to show that the repeal of the tariff schedule under discussion is not contrary to any theory of the tariff, but is, in fact, free trade that protects. As we understand it, the main justification of the protective tariff has always been the desirability of protecting the high-priced labor of this country against the inferior-priced labor of other countries. We will show that so far as the subject under discussion is concerned such protection is no longer required. We maintain that our American forests are now so near their ultimate destruction that they require protection; that is, conservation, and that one potent way to conserve them is to broaden the source of supply for the immense American lumber market. The only way in which that supply can be immediately and effectively broadened is by drawing on the forests of other countries, which can only be accomplished by repeal of duties which restrict trade in forest products. Reforestation is a matter of one or two or, perhaps, three generations, and only by drawing on the supplies of other countries can we widen our source of supply and reduce the drain on our own forests.

If there were no timber in the United States no one would contend for the maintenance of a tariff on timber. If we are now on the verge of a timber famine, as many authorities, both practical and theoretical, concede, should we not take time by the forelock and by protecting our forests through legislation that will tend to reduce the drain upon them, put off the evil day?

First, then, we desire to present some facts showing the decline of our forests and the approach of a timber famine. Mr. R. S. Kellogg, chief of the Office of Wood Utilization in the United States Department of Agriculture, says, in Circular No. 129, 1907, that all the statistics and conservative estimates indicate that our present consumption of wood in all forms is equivalent to at least 100,000,000,000 board feet annually, and says that one leading authority has esti-

mated the total consumption of wood in the United States at 150,000,000,000 board feet, and this takes no account of the destruction of timber by fire and natural causes. The total consumption of timber for lumber alone, in 1907, was 40,256,154,000 feet, according to a bulletin issued by the Department of Commerce and Labor.

Quoting Mr. Kellogg again:

The estimates of the forest area of the United States run from 500,000,000 acres to 700,000,000 acres, and it is safe to say that under present conditions the annual growth does not exceed 60 board feet per acre. This gives in one case a yearly increase of 30,000,000,000 feet and in the other case one of 42,000,000,000 feet. In other words, it appears that the annual growth of our forests does not exceed the amount of wood used for lumber alone. Considering all the drainage upon the forests, the annual consumption of wood is probably three times the annual growth.

The estimates of standing timber in the United States are by no means satisfactory. The most detailed ones range roughly from 1,400 to 2,000 billion feet. Assuming a stumpage of 1,400 billion feet, an annual use of 100,000,000,000 feet, and neglecting growth in the calculation, the exhaustion of our timber supply is indicated in fourteen years. Assuming the same use and stand, with an annual growth of 40,000,000,000 feet, we have a supply for twenty-three years. Assuming an annual use of 150,000,000,000 feet, the first supposition becomes nine years and the second thirteen years. Assuming a stand of 2,000 billion feet, the use of 100,000,000,000 feet and neglecting growth, we have twenty years' supply. Assuming the same conditions, with an annual growth of 40,000,000,000 feet, we have thirty-three years' supply. With an annual use of 150,000,000,000 feet, these estimates become, respectively, thirteen and eighteen years.

There is another way of looking at the question. The two leading kinds of lumber on the market now are southern yellow pine and Douglas fir. The cut of yellow pine is nearly one-third of the total lumber cut, and is nearly, if not quite, at its maximum. Our minimum and maximum estimates of yellow pine stumpage are 130,000,000,000 and 300,000,000,000 feet. The present rate of cutting will exhaust the supply in about ten years in the first case, and in twenty-five years in the second case, neglecting annual growth, which is rapid with old-field pine and slow with long-leaf pine. The largest estimate of the stand of Douglas fir is 350,000,000,000 feet. This means a seventy years' supply at the present rate of cutting, neglecting annual growth. As it is probable, however, that the cut will more than double within a few years, the outlook is that there will be comparatively little Douglas fir left in from twenty-five to thirty years. The case of Douglas fir now is closely parallel to that of white pine in the Lake States thirty years ago, and there is much reason for believing that the supply of fir outside of the national forests thirty years hence will be as limited as that of white pine now.

Mr. R. A. Long, a lumberman, in an address in January, 1903, before the Southern Lumber Manufacturers' Association, after a very careful inquiry as to the white and Norway pine of the Lake States, the yellow pine of the South, and the Pacific coast timber, predicted that within ten years the Lake States would probably play no larger part in the lumber supply of this country than did poplar at that time. As to the life of the southern yellow pine, he predicted that eighteen years would find it cutting no great figure in the lumber supply. Taking white pine, yellow pine, and Pacific coast timber all together, he estimated that the life of all was forty-one years. That is a practical lumberman's estimate.

In a paper on forest conservation presented at the conference on the conservation of natural resources in Washington last May, Mr. Long reviewed his prediction and said that so far as the supply of timber in the Lake States and that of southern yellow pine was concerned he was more confident of the correctness of his prediction after the lapse of five years than he was when he made it. He was not so sure as to the supply of the timber on the Pacific coast, but

said that he did not believe that the total life of the forest supplies of the forests referred to would vary five years from the figure originally given. As for the idea that other woods would take the place of leading species named, Mr. Long said that he calculated that long before any of the woods in question had been exhausted practically all other woods in our nation—that is, all the other woods that may be used as substitutes—would have largely passed out of use. Mr. Long has little faith that substitutes for wood will curtail the demand for lumber. He points out that even in England, where nearly all of the lumber used is imported, the consumption per capita is increasing at the rate of 5 per cent per annum. In France it increases at the rate of 10 per cent per capita, which is also the rate of increase in this country.

Circular No. 97, prepared by Mr. R. S. Kellogg, of the Department of Agriculture, says that the original stand of white pine, including Norway, in the Lake States was estimated at 350,000,000,000 feet, and that since lumbering began there, some seventy years ago, the total cut has probably not been less than 250,000,000,000 feet. Continuing he says:

It is well known that the days of white pine are rapidly passing, and even accepting the most sanguine estimates of the present stumpage it will, in a few years, cease to be a large factor in the timber supply of the United States. The present annual cut is about 3,000,000,000 feet in the Lake States and 1,000,000,000 in the other States. The total is less than half the cut in the Lake States alone in the latter eighties.

At the annual meeting of the Northern Pine Manufacturers' Association in Minneapolis, Minn., January 22, 1907, Secretary J. E. Rhodes made this striking statement:

Since 1895, 248 firms, representing an aggregate annual output of pine lumber of four and one-half billion feet, have retired from business, due to the exhaustion of their timber supply. Plants representing approximately 500,000,000 feet capacity which sawed in 1906 will not be operated in 1907.

The white-pine industry reached its maximum eighteen years ago, and its output now is less than 50 per cent of what it was at that time.

The amount of hard-wood stumpage is very indefinitely known, and is determinable only with difficulty, owing to the scattered and uneven stands. It was estimated at some 435,000,000,000 feet by the census of 1880, at possibly 300,000,000,000 by the census of 1900, and at 400,000,000,000 by the American Lumberman in 1905. Whatever the total stumpage may be, that which is fit for the saw is rapidly decreasing. The hard wood cut in 1900 was 8,634,000,000 feet. Four years later, in 1904, it had fallen to 6,781,000,000 feet. The present annual cut of hard woods is about 5,000,000,000 feet, consisting of approximately 43 per cent oak, 12 per cent poplar, 9 per cent maple, and lesser amounts of numerous other species. Here we have evidently a declining industry.

In Circular No. 116, by Mr. William L. Hall, of the Department of Agriculture, special attention is paid to the waning hard-wood supply. He points out that owing to the decline of the hard-wood forests, Ohio and Indiana have already lost the main part of their hard-wood manufactures, and that other States are threatened with the loss of industries dependent on hard woods, such as hard-wood lumber manufactures, cooperage, furniture making, musical instru-

ments, vehicle manufactures, agricultural implements, car building, railroad ties, telephone and other poles, and house finishing.

Continues Mr. Hall:

How intensely the whole country would feel the loss of its hard-wood timber, to an ample supply of which it has long been accustomed, can scarcely be realized.

Without hard wood for building purposes, for railroad ties, for the manufacture of furniture, cooperage, and vehicles, and for the varied other uses to which it is put, we should be in sad straits indeed. A general failure in crops may affect industrial conditions for a few years—a failure in the hard-wood supply would be a blight upon our industries through more than a generation. The situation in brief is this: We have apparently about a fifteen years' supply of hard wood now ready to cut. Of the four great hard-wood regions, the Ohio Valley States have been almost completely turned into agricultural States, and the lake States and the lower Mississippi valley are rapidly following their example.

In the Appalachian Mountains we have extensive hard-wood lands which have been culled and greatly damaged by fire. These are practically all in private hands, and while they contain a large amount of inferior young timber, they are receiving little or no protection, and even such young timber as exists is making but slight growth. Even if these cut-over lands be rightly managed they can not greatly increase their yield of merchantable timber inside of from thirty to forty years.

The inevitable conclusion is that there are lean years close ahead in the use of hard-wood timber. There is sure to be a gap between the supply which exists and the supply which will have to be provided. How large that gap will be depends upon how soon and how effectively we begin to make provision for the future supply. The present indications are that in spite of the best we can do there will be a shortage of hard woods running through at least fifteen years. How acute that shortage may become and how serious a check it will put on the industries concerned can not now be foretold. That it will strike at the very foundation of some of the country's most important industries is unquestionable. This much is true beyond doubt, that we are dangerously near a hard-wood famine and have made no provision against it.

Minnesota is the leading white-pine producing State, but even there the destruction of the forests has proceeded so rapidly that scores of towns and cities that were formerly great manufacturing centers have ceased to produce a stick, thus repeating the history of the rise and fall of lumber manufacturing centers in Michigan and Wisconsin. Eight years ago the city of Minneapolis was the largest lumber manufacturing center in the world. Now, it will scarcely produce 300,000,000 feet of lumber within a year, and it is predicted by lumbermen that the last sawmill will be abandoned in Minneapolis within five years. A friend calls attention to the fact that he recently took a journey of 200 miles north from Minneapolis, 170 miles of which was through a region once covered by one of the finest white-pine forests the world has ever known, and that in all that distance he saw only 10 acres of merchantable pine timber, and that was being preserved as a curiosity by its owners, the United States Steel Corporation. To cite another personal experience as graphically illustrating the decline of the forests even in the far West, I will say that on a journey between Portland, Oreg., and Vancouver, British Columbia, a distance of about 270 miles, through the heart of the area covered by the original forest, not a single logging operation could be seen from the train.

Former Governor Van Sant, of Minnesota, who has been associated with the lumber industry for more than forty years, says that once there were 100 sawmills below Minneapolis on the Mississippi River and north of St. Louis, and that to-day there are only 2 mills left, and their wheels will cease to turn within another year.

Ten years ago southern or Georgia pine, on account of its hardness and coarseness, was scarcely considered an article of commerce, its uses being limited to flooring and finishing purposes. In 1906, on account of the disappearance of white pine and other finer woods, there was eleven and one-half billion feet of yellow pine manufactured into lumber, or 30 per cent of the total lumber product of that year. The same is largely true of western fir; the increased production in the State of Washington alone up to 1906 being thirteen fold greater than that of 1880. The total production of lumber in the United States in 1880 was 18,000,000,000 feet, and in 1907 40,000,000,000 feet.

I devote a good deal of time to showing the effect of the destruction of the forests on agriculture and a great many industries also, and its effect upon the climate, but those are conceded facts and there is no use taking up your time with that now.

The CHAIRMAN. You can print that portion.

(The statement referred to follows:)

The effect which the denudation of the forest area has had upon the flow of water in our rivers and their tributaries is apparent to every one. Its effect upon the rainfall is, however, not so apparent, and can be determined only by the most careful scientific observations. It, however, seems reasonable to suppose that moisture held back in the forests by moss, grasses, leaves, etc., increases the amount of evaporation over that of the same area after being bared by the removal of the timber. The difference in the amount of soil washed, also between that of a forest area and the same area with the forest removed, is so apparent as to need no scientific demonstration. As an argument in support of these two propositions, I quote liberally from writers of known authority.

In the Canadian Magazine of recent date a well-known Canadian authority makes the following assertion:

The results from excessive denudation of mountain sides are too well known to require much comment. Thoreau probably had more than the sentimental in his mind when he deplored the ruthless work of the ax on his New England hills and exclaimed "Thank God, they can't cut down the clouds."

In southern Europe, in northern Africa, and in Asia Minor large sections of country, once the most fruitful in the world, rich with the products of fertile soil and genial climate, are now dreary wastes and incapable of yielding sufficient to sustain even a scattered population. This deplorable state of affairs has resulted from the clearing away and destruction of the timber on the mountain and hill sides. But it is scarcely necessary to go so far afield for examples of the injurious effects of overdenudation, for in many parts of older Ontario and Quebec a water famine is fast approaching from this cause. The former, as has been said, is rapidly becoming a prairie province. Streams that in early years were comparatively equitable in their flow and perennial in character are now raging torrents in the early spring and dry in the later summer months. And why is this? Simply because the natural reservoir has been destroyed. I can not refrain in this connection from quoting the very pertinent remark of Captain Eads when he was engaged in building dikes on the lower Mississippi, that he was working at the wrong end of the stream. Public attention on this subject within recent years has been to a limited extent awakened in both the United States and Canada, and the necessity of taking some steps to prevent future disaster has been seen.

Frank Vrooman, another recognized authority, makes the following startling observations of one particular flood:

The Kansas River floods of 1903 destroyed \$20,000,000 worth of property and 100 lives. One of the most fertile valleys on the continent, 120 miles long, was partly destroyed. Here the rich soil was cut away; there it was covered with sand 6 and 8 feet deep over the field. Holes were cut and lakes left behind.

Out of 250,000 acres of wonderfully fertile soil, 10,000 were completely destroyed, 10,000 more lost 50 per cent of their value, and the uncertainty left behind depreciated the value of the whole valley.

A writer in *Outing Magazine* says:

The fact is that the forests are intimately associated with the material welfare of practically every industry and every business in the United States, and their preservation should therefore naturally be a matter of concern to every breadwinner in America.

In the first place the forests have a direct and tremendous influence upon agriculture and, as I have already said and as you all know, the farming interests of America affect the entire country from banks to cobbler. The forests are nature's reservoirs. Wherever they have been cut away disastrous floods have followed as an annual visitation. From a manufacturing point of view the trees enter into the commercial health of a great many of our States and touch intimately every industry employing wood. Exhaustion of the hard-wood supply means the loss of these industries to the States in which they are at present located, since it stands to reason that such industries can not exist when the supply of raw material has vanished.

How seriously America would feel the exhaustion of its hard-wood timber is difficult to realize, especially since in times past the supply has been so ample that we have become accustomed to lavish use. Without hard wood for building purposes, for the manufacture of furniture, for railroad ties, for the manufacture of all kinds of vehicles, and for cooperage, not to speak of telephone and other poles or of agricultural implements, we certainly should be in difficulties.

I am inclined to believe that the failure of the hard-wood supply would more seriously affect the industrial condition than the failure of crops, because crop failure at its worst would be an affliction of one or two years, whereas once the wood supply fails there is no restitution within a generation. Under existing conditions of protection we have, it is said, of hard-wood timber lumber fit to be cut only about fifteen years' supply. Apart from its value as a future hard-wood supply station is the additional and extremely important fact that the streams which water the agricultural lands of the Appalachian region take their rise in a great many instances in this range. Last year there was an illustration in a part of this region of what a flood means in a country where the timber has been cleared, and during every spring we are given almost daily evidence of the disaster that falls upon farm lands where the woodlands, which are the natural reservoirs of farm land, have been cleared of their protecting timber.

The most important manufacturing region of the country is New England, and the majority of its manufacturing industries are dependent, to a large or total degree, upon the rivers which come from the White Mountains, in the Appalachian region. The five States of New England in 1900 contained 53,752 manufacturers, with a total capital invested of \$1,409,000,000, and a yearly output of product worth \$1,690,000,000 and an annual employee pay roll amounting to \$380,000,000. Now consider that 75 per cent of this capital is dependent upon an uninterrupted water supply, and remember that the water supply, in turn, is largely dependent on the forests for its natural reservoir.

As an instance of the effect on soil and agriculture resulting from the unchecked erosion following the destruction of the forests, take the White and Appalachian mountains, which are described as great lumps of earth mingled with stones. The rains and snows wear them away, as spray from a garden hose would wear away a lump of potter's clay. Until man destroyed it, the forest was spread over them, breaking the rush of rain, carrying it in funnels down the trunks of trees or letting it drip harmlessly from the boughs. Thickly covering the ground was a warp or woof of dead leaves, twigs, boughs, hrmus, and a mat of small green things sheltered by the great trees. The very spirit of the woods is one of shade and moisture, mosses, and the slow overflow of cool springs. This spirit has been changed by the destruction of the forests. The mountains have begun to dissolve and wash down upon the lowlands. The streams are commencing to silt up with mud. The nap of nature's protecting towel was the large trees. These were taken by lumber companies. The pulp mills followed and sheared to the ground; and then came the farmer, digging up the soil on the lower slopes with plow and harrow, so that a few years of bearing rain and rush of freshets of snow water could not fail to take away

the very soil itself; and where the farmer fails to go runs the fire, destroying more than man has destroyed, burning up the very humus of the soil, killing the little plants, baring the earth to all the forces of erosion. The inevitable result is a desert.

Professor Shaler, a conservative scientist, who weighed his words, states in 1896 that 3,000 square miles of highlands south of Pennsylvania had been destroyed for human use and its very soil carried down to the lowlands and the sea, and that arable and forestable lands were then being lost at the rate of 100 square miles a year. Every year since then this leprosy of destruction has spread more and more rapidly. In passing to the lowlands the soil covers up the rich bottoms with sterile detritus, and in reaching the sea it has to be rolled along the beds of navigable rivers, destroying their navigability. With no forest to hold back the waters every year the floods grow worse. This world is as large as it ever will be. We can not make it one inch larger, but we can destroy its usefulness by abuse. Civilized people should be ashamed to do this, and yet we who call ourselves civilized are wasting this planet on which we live at the rate of, perhaps, 200,000 square miles annually—land which our children may so bitterly need.

In this connection it is sufficient to merely refer to the floods of the Ohio River valley, which within the past five or six years are estimated to have damaged property in that valley to the extent of 100 million dollars. It is only necessary to mention the great floods of the Mississippi, the Missouri, and countless other streams.

Even the practical lumberman, whose interests are centered so largely in the destruction of the forests without regard for the future, concedes the danger that threatens a forestless land.

Mr. R. A. Long, the lumberman previously quoted, says in one of his addresses:

It is conceded also that forests aid much in the utilization of our rainfall, as the leaves and branches of trees and the accumulation of humus and leaf mold resist the compacting effect of the rain drops, and hence the soil is kept loose, allowing the water to readily percolate. This covering of the loose litter, twigs, etc., absorbs and holds back the precipitation, preventing its disappearing rapidly by surface drainage, goes largely into the ground, and as a subsoil or underground drainage, reappears in the form of springs, which, being gradually fed by percolation from above, themselves feed rivulets or streams of perennial character. The snows of winter melt more gradually in forest-covered areas, giving more time for the water resulting therefrom to soak into the ground and pass off through the springs. The streams fed from such sources have a continuous supply to be used for irrigation or such other purposes as man may require.

On the other hand, when the forest lands have been denuded the rainfall passes rapidly away, and its resulting effect is not long felt or seen excepting by the filling of the channels of the stream by silt, sand, and gravel washed from above, and the result of the waters having spread over the adjacent lowlands, destroying crops, improvements, live stock, and sometimes even the lives of the inhabitants. It is not unusual in some sections for the fertile valley lands to be destroyed by gravel, stones, and débris carried and deposited by the waters.

Water power exerted through electrical energy, and in operation in so many industries, is impossible without constant and uniform water supply, and this can not be had except along streams whose headwaters have an adequate protection of forest covering, otherwise the erosion of the soil soon fills the reservoirs and waters running unobstructed on the surface converge in great torrents, carrying logs and débris of all kinds, surging irresistibly through the river valleys, taking with it dams, gates, power plants, and destroying what it can not carry away.

Originally the rivers and even the rather small water courses of our country were to a greater or less extent navigable. Their channels were deep, their waters mostly clear and free from sediment and silt. At the present time, owing to the deforestation of the lands along their banks and especially of their headwaters, the breaking up of the sod and the loosening of the soil consequent upon settlement and cultivation of crops, these channels, formerly deep, have

been in some instances entirely filled, everywhere rendered more shallow, until water transportation has ceased and river navigation has become almost obsolete on rivers which were once teeming with commerce.

We have it upon the authority of the Holy Writ that a thousand years before Christ the eastern shore of the Mediterranean was the seat of large cities having an extensive maritime commerce. The mountain region bordering east and west, extending for many miles inland, was covered with a dense forest comprising the cedar of Lebanon, the fir, and the sandalwood, covering an area of 3,500 square miles. The inhabitants of Sidon were largely engaged in cutting, hewing, and shipping timbers from the forests of Lebanon, and the seat of Sidon was a great market and its citizens skilled axmen * * *.

These forests have all been destroyed, with no renewal thereof, and with their destruction disappeared the fertile soil. The rain-bearing clouds still float above the mountains of Syria, but they pass on over the bare and heated rocks, and the brooks and small streams of Palestine no longer exist, and throughout Syria stone furnishes the only material for building and wood is as precious as silver.

May it not be true that the destruction of Tyre and Sidon was in great part in consequence of the destruction of these forests, which has rendered that country a barren desert, supplying a scanty sustenance to the sparse population—its beauty, its fertility, its usefulness gone? So the physical geographers assure us.

In "Sinai and Palestine," by Dean Stanley, an authoritative record, appears the following:

The countless ruins of Palestine, of whatever date they may be, tell us at a glance that we must not judge the resources of the ancient land by its present depressed and desolate state. They show us not only that Syria might support tenfold its present population, and bring forth tenfold its present product, but that it actually did so. And this brings us to the question which eastern travelers so often ask and are asked on their return, "Can these stony hills, these deserted valley, be, indeed, the land of promise, the land flowing with milk and honey?"

The effect and influence of forests on the climate, health, and water conditions of the country is evidenced by the chronicles of the Mosaic, the Roman, and Greek writers, and many of their far-seeing priests prevented the destruction of the forests. The consecration of groves to religious uses and to various mythological rites connected with them is an evidence of the reverence the ancients had for forests. Homer calls the mountain woodlands the "habitations of the gods, in which the mortals never felled the trees, but where they fell from age when their time had come," and in his tree and woodland nymphs originating in springs, he suggests the intimate relation of forests and springs.

Aristotle, in his "National Economy," points out that an assured supply of accessible wood material is one of the "necessary conditions of the existence of a city."

Mr. KNAPPEN. Almost all of the countries of antiquity suffered from the destruction of their forests. So it was with Mesopotamia, now one of the most sterile countries in the East and once famed for its fertility. Greece tells a similar story. Sicily, one of the granaries of the Roman Empire, is now entirely deforested and crop failures are common. In modern times parts of Bohemia, Hungary, and Austria, parts of Denmark, parts of France have suffered sorely from the loss of their forests. China has done nothing to preserve its forests, while Japan has preserved 59 per cent of its total area for forests, with results in the two countries that are strikingly dissimilar. The Chief of the Forest Service of the United States says that estimates of the duration of our forests are inevitably misleading.

The lowest estimate reached by the Forest Service of the timber now standing in the United States is 1,400 billion feet, board measure; the highest, 2,000 billion. The present annual consumption is approximately 100,000,000,000 feet, while the annual growth is but a third of the consumption, or from 30,000,000,000 to 40,000,000,000 feet. If we accept the larger estimate of the standing

timber, 2,000 billion feet, and the larger estimate of the annual growth, 40,000,000,000 feet, and apply the present rate of consumption, the result shows a probable duration of our supplies of timber of not more than thirty-three years.

The figures cited are, however, sufficiently reliable to make it certain that the United States has already crossed the verge of a timber famine so severe that its blighting effects will be felt in every household in the land. The rise in the price of lumber which marks the opening of the present century is the beginning of a vastly greater and more rapid rise which is to come. We must necessarily begin to suffer from the scarcity of timber long before our supplies are completely exhausted. It is well to remember that there is no foreign source from which we can draw cheap and abundant supplies of timber to meet a demand per capita so large as to be without parallel in the world, and that the suffering which will result from the progressive failure of our timber was but faintly foreshadowed by the recent temporary scarcity of coal.

Mr. Pinchot thus admirably sums up what the destruction of the forests means:

What will happen when the forests fail? In the first place, the business of lumbering will disappear. It is now the fourth greatest industry in the United States. All forms of building industries will suffer with it, and the occupants of houses, offices, and stores must pay the added cost. Mining will become vastly more expensive; and with the rise in the cost of mining there must follow a corresponding rise in the price of coal, iron, and other minerals. The railways, which have as yet failed entirely to develop a satisfactory substitute for the wooden tie (and must, in the opinion of their best engineers, continue to fail), will be profoundly affected and the cost of transportation will suffer a corresponding increase. Water power for lighting, manufacturing, and transportation, and the movement of freight and passengers by inland waterways, will be affected still more directly than the steam railways. The cultivation of the soil, with or without irrigation, will be hampered by the increased cost of agricultural tools, fencing, and the wood needed for other purposes about a farm. Irrigated agriculture will suffer most of all, for the destruction of the forests means the loss of the waters as surely as night follows day. With the rise in the cost of producing food, the cost of food itself will rise. Commerce in general will necessarily be affected by the difficulties of the primary industries upon which it depends. In a word, when the forests fail, the daily life of the average citizen will inevitably feel the pinch on every side. And the forests have already begun to fail, as the direct result of the suicidal policy of forest destruction which the people of the United States have allowed themselves to pursue.

President Roosevelt, in a speech delivered last spring, summed up the part that the forest plays in the life of a nation very well in the following passages:

The great industries of agriculture, transportation, mining, grazing, and, of course, lumbering, are each one of them vitally and immediately dependent upon wood, water, or grass from the forest. The manufacturing industries, whether or not wood enters directly into their finished product, are scarcely, if at all, less dependent upon the forests than those whose connection with it is obvious and direct. Wood is an indispensable part of the material structure upon which civilization rests; and it is to be remembered always that the immense increase of the use of iron and substitutes for wood in many structures, while it has meant a relative decrease in the amount of wood used, has been accompanied by an absolute increase in the amount of wood used. More wood is used than ever before in our history. * * *

When wood, dead or alive, is demanded in so many ways, and when this demand will undoubtedly increase, it is a fair question, then, whether the vast demands of the future upon our forests are likely to be met. You are mighty poor Americans if your care for the well-being of this country is limited to hoping that that well-being will last out your own generation. No man here or elsewhere is entitled to call himself a decent citizen if he does not try to do his part toward seeing that our national policies are shaped for the advantage of our children and our children's children. Our country, we have faith to believe, is only at the beginning of its growth. Unless the forests of the United States can be made ready to meet the vast demands which this growth will inevitably bring, commercial disaster, that means disaster to the whole country, is inevitable.

If the present rate of forest destruction is allowed to continue, with nothing to offset it, a timber famine in the future is inevitable. Fire, wasteful and destructive forms of lumbering, and the legitimate use, taken together, are destroying our forest resources far more rapidly than they are being replaced. It is difficult to imagine what such a timber famine would mean to our resources! And the period of recovery from the injuries which a timber famine would entail would be measured by the slow growth of the trees themselves. Remember that you can prevent such a timber famine occurring by wise action taken in time; but once the famine occurs, there is no possible way of hurrying the growth of the trees necessary to relieve it.

We contend that legislation which will permit us to draw on the forest supplies of other countries is one form of "wise action" demanded by the situation that confronts us. But without looking to the future we already find the effects of the decadence of our forests in the remarkable increase in the price of timber or stumpage. Bulletin No. 77, issued by the Agricultural Department, gives some interesting and astounding figures as to the increased value of stumpage in recent years. According to these facts, based on more than 1,500 reports, white pine in the last eight years has increased in value from \$3.66 per thousand feet to \$8.09; yellow pine, from \$1.12 to \$3.16; Douglas fir, from 77 cents to \$1.44; cedar, from \$1.32 to \$4.63; hemlock, from \$2.56 to \$4.51; spruce, from \$2.26 to \$5.49. These are averages. In some cases white-pine stumpage was found to be worth \$20 per thousand feet; in Michigan it ranges from \$5 to \$18 per thousand feet; in Minnesota, from \$5 to \$12. Timber lands that were almost worthless a few years ago have rapidly attained great value. Mr. John L. Kaul, a southern lumberman, says that already the growing scarcity of long-leaf pine and steadily increasing demand for it have led lumbermen who acquired stumpage at 50 cents per thousand now to quote it in their opinion worth \$2.50 to \$3.50, and they believe that in twenty years it will have a value of at least \$10 per thousand, and he remarks significantly: "This probable rise in the value of stumpage is the obvious reason for the existence of companies which hold large timber tracts but do not operate them." Actually large tracts of southern timber have been sold at \$5 per thousand.

The value of this stumpage held by the speculative companies is of course enhanced by the tariff on lumber. The ownership of timber is passing largely into the hands of great corporations or aggregations of individuals and corporations, who perceive that an increase in its value is a mathematical certainty with the supply so reduced as it is already. It is common talk among lumbermen that three interests now control one-fifth of all the standing merchantable timber in the United States. Many of the holders of timber have acquired their property at insignificant figures and have seen them rise in value, if we are to accept the carefully prepared data of the Government, from 100 to 300 per cent in eight years, and with the probability that this rate of increase will continue in the near future. Yet doubtless many owners of such already handsomely remunerative properties will appear before your committee and argue against the repeal of the lumber tariff. Not content with what the limitations of nature and the demands of society are doing for them, they insist on what amounts to a subsidy from the Government—and a subsidy for what? A subsidy, a premium, on the destruction of our remaining forests.

A few great corporations or aggregations of corporations and individuals now control an immense proportion of the remaining forests of the United States. One of these, the great Weyerhæuser group, is said to have produced more than fifty millionaires, and if we are to believe Mr. N. W. McCleod, president of the National Lumber Manufacturers' Association, the bulk of these fortunes must have arisen from the ownership of large bodies of timber rather than from manufacture, and he predicts that this condition will continue. We may say, then, that the fifty millionaires of the Weyerhæuser group owe their fortunes rather to the acquirement and holding of stumpage than to the profit arising from the manufacture of lumber.

To illustrate the enormous profits that are thus possible it is worth while to call attention to the fact that the Weyerhæusers some eight years ago purchased from the Northern Pacific Railroad vast tracts of timber lands on the Pacific coast at a price fixed by rumor at about 15 cents per thousand feet, and to-day this same timber is valued by the owners at about \$3 per thousand. Here is a profit of 2,000 per cent, and yet these interests will probably think themselves aggrieved if the tariff is removed from forest products.

A well-known western lumberman has, in recent years, acquired 650,000 (estimated) acres of sugar and yellow pine in northern California, estimated to carry 15,000,000,000 feet of timber. Most of this timber can be manufactured within ten years at a profit of \$10 per thousand, and some of it can be manufactured at that profit now. The timber and the land on which it stands has been acquired at a cost probably not exceeding \$4,000,000 and the property is now, or soon will be, worth \$150,000,000. This gentleman is opposed to the repeal of the tariff on forest products, and, identifying his individual interest with those of the forests, he opposes the repeal of the tariff in order to protect the forests.

It is to be feared that many of our lumbermen have confused protection of the forests and excessive profits arising from the "unearned increment" of their forests, which are two vitally different things.

These illustrations are cited in no mean-spirited enmity to lumbermen. Lumbering is one of our chief industries. It gives employment to a host of men and its great captains take high rank in the roll of those admirable leaders of industry whose careers are the pride of the nation. Unlimited abuse has been heaped upon them for doing what, under the conditions prevailing, they could not but do, but we have now come to a time when national welfare offers some considerations that are paramount to those advanced by the lumber industry. If we are to accept the opinions of the authorities, the industry under present conditions will become extinct within a generation, and its decline is certain in the near future. Any course that tends to decrease the pressure on our forests will prolong the existence of the lumber industry.

The advance in the price of lumber in recent years consequent upon the decreasing available supply is a matter of such common knowledge that little emphasis need be laid on it here. Suffice to say the reports of the Department of Commerce and Labor show that from 1899 to 1906, only seven years, yellow-pine lumber increased 77 per cent in price; Douglas fir, 63 per cent; white pine, 54 per cent; cedar,

66 per cent; western pine, 44 per cent; maple, 30 per cent; sugar pine, 31 per cent; tamarack, 80 per cent. These figures are based on average values per thousand of all grades of timber. The increase in some qualities of lumber has been vastly greater, and if we go back to 1893 and come down to 1907 we will find that in some cases the increase in the price of lumber has been almost 200 per cent. Reduced to dollars these percentages of increase amount to \$7.54 per thousand for yellow pine; \$5.53 per thousand for Douglas fir; \$5.66 per thousand for white pine; \$5.33 per thousand for hemlock; almost \$4 for sugar pine; nearly \$7 for tamarack; about \$4 for cedar; and about \$8 for oak.

Just think what these figures mean to those who build houses of wood. The man who built a house of wood in 1907 paid almost half as much again as in 1899 and probably at least twice as much as in 1893.

The purpose of the tariff is to foster industries and increase the industrial well-being of our people by making imported goods pay a customs tax equal to the difference in the cost of their production and that of similar goods made in this country. The tariff was not imposed with a view to encouraging the exhaustion of our natural resources; neither was it intended to protect the enjoyment of natural monopolies. The ownership of timber in this country is now practically a natural monopoly. Timber can be replaced, but the time required is so long that considering the interests of one generation the supply is fixed. There is a certain amount of timber; every year it grows less in extent, and is more and more concentrated in the hands of a comparatively small number of owners. Does Congress wish to protect this monopoly of a great natural resource—mind you, protect the monopoly, which is not protecting the resource, but is rather protecting the speculative profits of the monopolists. We take it Congress is not concerned in protecting this interest. It is concerned primarily with the protection of American labor and secondarily with seeing that conditions are not so altered that the American manufacturer can not profitably compete with the foreigner.

As for wages, American labor has nothing to fear from the effects of free lumber. The only considerable present source of supply for lumber and other forest products that can be or have been grown in the United States is Canada. There was a time when the rate of wages paid in Canada was very much lower than in the United States, but that was before the present era of industrial activity and settlement in Canada, which has brought the standard and cost of living and wages in that country to as high and in some parts a higher plane than prevails in the United States.

We have been at some pains to collect data bearing on the subject of wages paid and the cost of production in the lumber industry in the United States and Canada. There is some oriental labor employed in the western Canadian mills on account of the lack of white labor, but while the rate of wages per man to the oriental is somewhat lower than to the white man for the corresponding work, the superiority and efficiency of the white man makes his labor cheaper in the aggregate. The data attached to our brief show that wages in western Ontario and western Canada are fully as high and in some cases higher than in middle and western United States mills.

I took the trouble to write to a number of manufacturers in British Columbia and asked them if they employed oriental labor, and, if so, how it compared in actual cost with white labor. Their answer, without exception, was that they employed oriental labor because it was the only labor to be had owing to the scarcity of white labor; that in some cases they had to pay the oriental almost the pay of a white man, who, as a rule, is very much superior; that they would much prefer white laborers if they could get them at the prevailing price for white men in British Columbia or in Washington.

As for white labor, I have a mass of figures which I will not trouble you with now unless you desire it, but it can be safely stated that white labor is actually paid better wages in British Columbia than in Washington or Oregon, and I am very willing and glad to produce the figures.

The CHAIRMAN. Have you any statistics as to the comparison of the prices of labor in British Columbia and Oregon?

Mr. KNAPPEN. Yes, sir. I intend to submit them in a brief.

The CHAIRMAN. Very well.

Mr. KNAPPEN. As for the protection of the manufacturer, it is to be noted that he has nothing to fear from cheap labor, since that no longer exists in Canada. In the second place, the cost of construction, equipment, and general operation in Canada is higher in that part of Canada most likely to compete extensively with our lumbermen than in the States, so that on that side of production the manufacturer is protected by existing conditions. The data appended to our brief show that in British Columbia logging, which by law must be carried on with white labor, paid from \$3 to \$6 per day, costs 10 to 30 per cent more than in the United States; that the cost of mills, general machinery, and equipment, including logging equipment, is more by about 30 per cent. As to profits, the Canadian mill owner is, perhaps, satisfied with smaller profits than the American. On that account there might be somewhat less profit in good times to the American manufacturer if the tariff on lumber were repealed. The only other item entering into the problem is that of the cost of stumpage. As was stated before, we do not think that Congress desires to protect the owner of American stumpage on the book prices he puts on his stumpage as it increases in value from year to year. The manufacturer who owns stumpage may have to reduce the price charged to his stumpage on his books in order to show a book profit, but that is a matter of bookkeeping and of calculation of values. It does not affect the actual cost of manufacture.

As far as the consumer is concerned your committee should be on guard against testimony tending to show that the lumber industry, especially on the Pacific coast, is even now in great straits and therefore actually requires protection. We are just emerging from a period of general business depression lasting more than a year in which naturally the demand for lumber has not been strong. In the case of the Pacific coast lumbermen the case was complicated by an increase in railway rates and a prior car shortage that almost amounted to a breakdown of the transportation systems. Your attention is directed to the fact that the mills in British Columbia have been passing through just as severe a trial as that of their fellows to the south. At one time last year practically all of the mills in the Province were shut down, and those mills, it should be noted, while

suffering from prevailing business conditions equally with the American mills, had no protection for rough lumber in their domestic territory. The mills in the mountain regions of British Columbia rely chiefly for their market on the prairie Provinces of Alberta and Saskatchewan and those markets are open to their competitors on the south.

In this connection it is worth while to note that there is now a considerable agitation in Canada looking to the imposition of a retaliatory tariff on American lumber. This agitation is opposed by the consuming population of Canada, especially in the western Provinces, and is not likely to succeed, but if the Canadian government thinks it wise to consider the interests of its consuming population as affected by lumber-tariff legislation, may it not be that it is worth while for our Government to make a similar point of view?

The fact should not be overlooked that though our forests are being rapidly depleted and many of our lumbermen oppose tariff legislation that will tend to admit to our consumers the products of foreign forests, they themselves are freely exporting our forest products. They are exporting not only to countries which have no forests and impose no duties on forest products, but they are actually exporting immense quantities of lumber to countries, such as Canada and Mexico, which have great forests upon which our markets rightly should be drawing. According to the official statistics, our lumbermen exported to Canada during the last fiscal year nearly \$10,000,000 worth of lumber and other wood, while \$3,632,713 worth was exported through ports on the Mexican frontier.

In fact, it is noteworthy that we export to Canada now about half as much value of forest products as we import therefrom. Our total exports of forest products now exceed in value \$126,000,000, and a large portion of this is presumably in competition, and successful competition, in foreign markets with the Canadian product. The United States is in fact the leading exporting lumber nation of the world.

In this connection I would call attention to the competition of our west coast mills in Washington and Oregon with those of British Columbia in the markets of the world. This is shown in detail in appended figures, but I will here merely call attention to the fact that in the export trade, shipping in free competition to the same markets, the mills of Washington and Oregon increased their exports from 131,000,000 feet in 1895 to 363,000,000 feet in 1907, while those of British Columbia increased their exports in the same period from 41,000,000 to 67,000,000 feet, the increase in the former being nearly 200 per cent and in the latter about 55 per cent. If our mills can compete successfully with those of British Columbia in the foreign trade, what have they to fear from them in the domestic market? Certainly not disastrous competition.

It is worth noting here that while the values of lumber per thousand of the domestic product increased 58 per cent from 1899 to 1907, the corresponding increase of imported lumber was 76 per cent, which tends to show that external conditions have not tended to cheapen lumber while United States conditions were tending to higher prices, and suggest possibilities of successful competition on the part of our manufacturers.

Mr. FORDNEY. May I ask you a question now, or do you prefer to finish?

Mr. KNAPPEN. I have only a little more to say and would prefer to finish.

Mr. FORDNEY. Then finish first.

Mr. KNAPPEN. It is British Columbia competition that most disturbs our lumbermen. We have considered the cost of manufacture in that connection. As to the supply of timber, the Pacific Lumber Trade Journal estimates the stumpage of British Columbia at 150,000,000,000 feet as compared with 225,000,000,000 for Oregon; 196,000,000,000 for Washington; 180,000,000,000 for California; and 100,000,000,000 for Idaho and Montana. Thus, according to the official organ of the Pacific coast lumbermen, the amount of commercial timber in British Columbia is only a small percentage of that in our Northwestern and Coast States.

Indeed, so freely and, from the standpoint of the Canadian manufacturers, so illegitimately did our manufacturers exploit the Canadian market that the Canadian government thought it wise to adopt what is known as the "antidumping law." This law was aimed at the practice of exporting lumber and other products from the United States to Canada and selling them there at a lower price than it was sold for at home. In other words, our lumber manufacturers for years deliberately sold their surplus lumber product in Canada at reduced prices while maintaining exorbitant prices at home.

One probable effect of the removal of the tariff would be cheaper lumber to the consumer, either absolutely or relatively, compared with what he would otherwise be compelled to pay in the future. While there is no reason for believing that Canadian lumber can be laid down in the United States at such prices as to disastrously affect the profits of the American manufacturer, the fact that it can be offered somewhat cheaper on account of the cheaper stumpage and that it increases the source of supply and thus widens the buyer's competitive market will undoubtedly benefit the consumer. With Vancouver, British Columbia mountain points, Saskatchewan, and Ontario mills added to the sources of lumber supply, the buyer will undoubtedly have a better opportunity to get a favorable price to himself than he has now with fewer markets in which to buy. There will, therefore, be a distinct advantage to the consumer. With this competition the prices of lumber will not tend to advance so rapidly as the years go by; consequently the pressure upon our American forests will be somewhat relieved and their destruction will not proceed so rapidly as at present.

As to the fiscal side of the question, the revenues the Government receives from the duties on lumber are not in the aggregate very large, being in 1907, for example, \$1,853,158.30, though on wood and manufactures thereof it amounted to \$4,385,038.59.

To sum up the effects of the repeal of the tariff on forest products as we see it, it would not be at all adverse to the interests of labor, would not disturb the prosperity of the manufacturer, would benefit the consumer, and check the inroads on our American forests.

Not being an expert in this matter, I have invited a number of lumbermen to appear before your committee and give testimony on the subject of comparative wages, cost of production, prices of lumber, prices of stumpage, and other points bearing on this question,

all tending to show that as lumbermen they have nothing to fear from the removal of the tariff on lumber.

Mr. FORDNEY. Whom do you represent?

Mr. KNAPPEN. I represent myself, I represent the National Forest Conservation League, and I believe I represent the sentiment of a great many people.

Mr. FORDNEY. What is the National Forest Conservation League that you represent?

Mr. KNAPPEN. It consists very largely of myself.

Mr. FORDNEY. That is what I thought. [Laughter.]

Mr. KNAPPEN. I started in and organized the league a month ago, because I saw that this subject was coming up and I thought there would be the same criticism that has already appeared, that the consumers would not be represented.

Mr. FORDNEY. You tried to induce me to join the league?

Mr. KNAPPEN. I wrote to every Congressman.

Mr. FORDNEY. You say that the coast conditions would not be affected by removing the tariff, and you say that some of the manufacturers are now making \$10 a thousand profit?

Mr. KNAPPEN. Yes, sir.

Mr. FORDNEY. Where is there a concern on the coast making \$10 a thousand profit?

Mr. KNAPPEN. I can not name any concern on the coast now.

Mr. FORDNEY. I do not think anybody else can. Do you know anybody who can?

Mr. KNAPPEN. I did not say that there were concerns on the coast.

Mr. FORDNEY. Did you not state that they were making \$10 profit now?

Mr. KNAPPEN. I did say that in California I believed there was certain timber that could at the present time be sold at a profit of \$10.

Mr. FORDNEY. You are making a speech before a committee which is to act upon this matter, and what you believe and what you know are two different things.

Mr. KNAPPEN. That is quite right and for that reason I cited practical lumbermen to back me up in some of these things.

Mr. FORDNEY. Did you not state that American lumber was selling cheaper in Canada than here?

Mr. KNAPPEN. Yes, sir.

Mr. FORDNEY. Can you name a firm who is doing that or a single shipment?

Mr. KNAPPEN. I will call a witness who will do that.

Mr. FORDNEY. All right. You say that the removal of the duty will conserve the forests of the United States?

Mr. KNAPPEN. I think it will lessen the drain.

Mr. FORDNEY. What kind of lumber comes in competition with American lumber, high or low grade?

Mr. KNAPPEN. Both.

Mr. FORDNEY. Is it not true that the bulk of the lumber which comes in competition with the American lumber from Canada is low-grade lumber?

Mr. KNAPPEN. I believe it is.

Mr. FORDNEY. Is it not true that high-grade lumber has a market anywhere in the world, either from Canada or the United States, a better market than the low grade?

Mr. KNAPPEN. I believe that is so.

Mr. FORDNEY. What percentage of the product of the log is low grade?

Mr. KNAPPEN. Twenty per cent.

Mr. FORDNEY. Is it not 40 per cent?

Mr. KNAPPEN. I do not think so.

Mr. FORDNEY. Have you ever manufactured lumber?

Mr. KNAPPEN. I have not.

Mr. FORDNEY. Then I would take my own judgment in preference to yours.

Mr. KNAPPEN. I wish you would ask that question of some of the gentlemen who will appear in support of my contention.

Mr. FORDNEY. Is it not true that Canada is seeking a market in the United States for low-grade lumber?

Mr. KNAPPEN. Certainly; as well as other lumber.

Mr. FORDNEY. If low-grade foreign lumber came into our markets and reduced the price, do you not know that it would not have a tendency to conserve the forests, but that the American lumberman would also be obliged to leave a little higher-grade lumber in the woods than he does now?

Mr. KNAPPEN. That would depend on how much came in. I do not believe that the low-grade lumber coming in would have any effect on the situation.

Mr. FORDNEY. It did from 1893 to 1896.

Mr. KNAPPEN. I think that it is hard to draw inferences from the statistics of that period, because of the confusion arising from the business depression that then prevailed.

Mr. FORDNEY. It was certainly confusing to the manufacturer. I was in the business then.

Mr. KNAPPEN. I think it is hard to draw inferences from statistics.

Mr. FORDNEY. If 40 per cent of the Canadian product is low grade and Canada can find a good market for her better grades—and she is looking to the United States for a dumping ground for those low grades—if those low grades are brought into competition with the lumber in the United States it would not have a tendency to compel the lumbermen of the United States to leave in the woods their low grades.

Mr. KNAPPEN. That is your opinion as a lumberman.

Mr. FORDNEY. I have been in the lumber business ever since I was a boy and I know what I am talking about.

Mr. KNAPPEN. Not being a lumberman, I can not undertake to dispute your statement on that subject. I would like to have you discuss that question with the practical men.

Mr. FORDNEY. I will discuss that question with any man on earth and flay him in a minute. [Laughter.] Do you know what price the lumbermen are getting for their lumber at the mill where they are manufacturing it in the South; Mississippi, for instance?

Mr. KNAPPEN. No, sir.

Mr. FORDNEY. Do you know whether they are making a profit or whether they are selling the lumber at a loss?

Mr. KNAPPEN. I suppose they are selling it at a profit. I can not state from knowledge of actual mill figures.

Mr. FORDNEY. I am in the manufacturing business in the South, in the State of Mississippi, and I know that lumber is selling at the mill, the product of the log, all grades, for less than \$13 a thousand. How much do you think the manufacturer makes out of that? Do you know what it costs to manufacture in the South?

Mr. KNAPPEN. No; I do not.

Mr. FORDNEY. Then you are not competent to judge whether the Southerner is making any money or not.

The CHAIRMAN. I do not think you should follow that line of examination, Mr. Fordney.

Mr. FORDNEY. The witness has made a positive statement here, Mr. Chairman, that reflects upon the lumber business. He is in favor of removing the duty, and I want to know where he gets his information.

The CHAIRMAN. But you stated that the witness was not competent. It is all right to show that by your questions, but I do not think your opinion should go into the hearing.

Mr. KNAPPEN. As a rule, I quoted my authority.

Mr. FORDNEY. You stated that there were three concerns in the United States which control one-third of the timber in the United States.

Mr. KNAPPEN. That is an estimate; yes, sir.

Mr. FORDNEY. What firms are they?

Mr. KNAPPEN. I had in mind the Weyerhaeuser group, the T. B. Walker group, and the C. A. Smith group.

Mr. FORDNEY. Their holdings are all on the Pacific coast, practically, are they not?

Mr. KNAPPEN. No; I think they have large holdings elsewhere.

Mr. FORDNEY. Do you know how many acres of land or how many mills those three firms own?

Mr. KNAPPEN. I made a rough calculation from data gathered from other lumbermen, and that made up a total of about one-third of fourteen hundred billion feet, which is the minimum estimate of timber in the United States.

[Mr. Knappen stated later that he would like permission to change his original statement from one-third to one-fifth.]

Mr. FORDNEY. Did you take it from any Government report?

Mr. KNAPPEN. There is none available.

Mr. FORDNEY. I saw a statement made by a gentleman who is supposed to represent the Government which stated that Weyerhaeuser owned 32,000,000 acres in the State of Washington. Do you know anything about the correctness of that statement?

Mr. KNAPPEN. I do not. I should say it was incorrect. I do not think it is that much.

Mr. FORDNEY. Do you think there is that much timber in the whole State?

Mr. KNAPPEN. The area of Washington is about 77,000 square miles, is it not?

Mr. FORDNEY. That I do not know.

Mr. KNAPPEN. That would only figure up somewhere between forty and fifty million acres in the whole State. I do not think 32,000,000 acres of that is good forest land.

Mr. FORDNEY. No. You stated that you had learned that the consumption of timber in forest products was about 150,000,000,000 feet annually; where did you get that estimate?

Mr. KNAPPEN. From the official bulletins of the Department of Agriculture, the Forestry Service.

Mr. FORDNEY. It is my information that there are less than 50,000,000,000 feet.

Mr. KNAPPEN. Are you speaking now of the entire wood products?

Mr. FORDNEY. All kinds of forest products.

Mr. KNAPPEN. You know the official statistics show over 40,000,000,000 feet for 1907 of lumber alone. It would seem as if the other wood products would amount to more than 100,000,000,000 feet.

Mr. FORDNEY. I think that is wrong. You stated that the condition on the Pacific coast—in Oregon and Washington, as I take it—was affected by the rise in freight rates?

Mr. KNAPPEN. Yes, sir.

Mr. FORDNEY. Is it not true that there has been no rise in freight rates in the last two years?

Mr. KNAPPEN. No; I do not think that is true.

Mr. FORDNEY. The railroad companies threatened to raise the rates, but they did not do it.

Mr. KNAPPEN. They issued the order and then there was a long period of litigation.

Mr. FORDNEY. What is the rate from the Pacific coast to the Mississippi Valley now?

Mr. KNAPPEN. I believe it was 45 cents. That has been changed in some way by a railroad technicality which I do not exactly understand. They have changed the limit of distances on that rate, or perhaps a similar rate which has been substituted for it. That exact matter can be easily cleared up by other witnesses here.

Mr. FORDNEY. You quoted Mr. Long as a manufacturer and as one being in favor of the removal of the duty on lumber?

Mr. KNAPPEN. Yes, sir.

Mr. FORDNEY. What Mr. Long do you refer to?

Mr. KNAPPEN. I think it is Mr. Long, of Kansas City.

Mr. FORDNEY. He is a Democrat and free trader?

Mr. KNAPPEN. I do not know whether he is a Democrat or not, but he is not a free trader on lumber.

Mr. FORDNEY. He is a free trader on lumber?

Mr. KNAPPEN. No. In the paper from which I quoted he distinctly argues against the repeal of the lumber duties.

Mr. CLARK. Mr. Long is a very large dealer in lumber?

Mr. KNAPPEN. I believe he is. I am not very well informed as to that.

Mr. UNDERWOOD. About as good as the average Republican?
[Laughter.]

Mr. KNAPPEN. I guess so.

Mr. FORDNEY. Is it not true that the lumberman in the United States has the greatest difficulty in finding a market at a reasonable price for his low-grade lumber?

Mr. KNAPPEN. I understand that is the fact.

Mr. FORDNEY. He has an open market for his high grades and gets a fair price for them?

Mr. KNAPPEN. Yes, sir.

Mr. FORDNEY. With free trade with Canada and Mexico, his greatest difficulty would be still further increased by more competition in the low grades and not any in high grades?

Mr. KNAPPEN. I think the competition would also be increased in high-grade lumber.

Mr. FORDNEY. I know from experience that the western coast lumberman right now leaves 25 per cent of the product of the forest in the woods because the grade is so low that there is no profit in it to market it, and if you bring the Canadian cheap-grade lumber into competition that he will be compelled to leave a greater portion in the woods.

Mr. KNAPPEN. I understand that lumbering in British Columbia is carried on under very much the same conditions as in Washington, and what you say of the Washington lumberman leaving 25 per cent in the woods would also apply to the British Columbia lumberman. My understanding is so far as the low grades are concerned, that there is no great fear of the importation of low grades of British Columbia lumber.

Mr. FORDNEY. You have stated the difference regarding the increase of foreign shipments between the United States and Canada, and that it was greater in proportion from the United States than from Canada. Is that not due to the fact that Canada can not find a market for her low grades of lumber and that therefore her industry has not thrived as the industry has in the United States?

Mr. KNAPPEN. The figures I quoted referred only to British Columbia, and therefore they eliminate the low-grade item very largely.

Mr. FORDNEY. It applies to British Columbia?

Mr. KNAPPEN. Please repeat your question.

Mr. FORDNEY. You stated that the increase of shipments, both from Canada and the United States, was so much—you have given the amount—and stated that the increase from the United States was greater than that from British Columbia, as we will call it?

Mr. KNAPPEN. Yes.

Mr. FORDNEY. Is not that due to the fact that British Columbia has no protective tariff now as to low grades, and for that reason her production has not increased, as compared with the increase of the United States?

Mr. KNAPPEN. I do not think so. British Columbia at present does not produce a very large amount of lumber altogether. The cut in British Columbia last year was 475,000,000 feet, and in normal times there is a rattling good market in the rapidly populating prairie provinces which, I should say, is keeping ahead of the production in British Columbia.

Mr. FORDNEY. Don't you think that by removing the duty on the lower grade she would enjoy a better market in the United States than she does now?

Mr. KNAPPEN. As I said before, the conditions of production being similar in Washington and British Columbia, as you pointed out, I do not think it enters into the calculation, as they waste 25 per cent in the woods.

Mr. FORDNEY. Do you think they would leave it in the woods?

Mr. KNAPPEN. I think they would, just as the Washington lumbermen do.

Mr. FORDNEY. That is all.

Mr. BOUTELL. You stated, Mr. Knappen, with some degree of confidence on your part that the repeal of this duty would benefit to some degree the consumer?

Mr. KNAPPEN. Yes.

Mr. BOUTELL. Whom do you hold to be the consumer?

Mr. KNAPPEN. The buyer of lumber.

Mr. BOUTELL. I have coined for my own convenience the term "ultimate consumer," the man who finally uses the lumber. Have you any idea that the repeal of the duty would benefit the ultimate consumer?

Mr. KNAPPEN. I assume, allowing somebody to be benefited, that the ultimate consumer, as you state, would ultimately get his share.

Mr. BOUTELL. Take the history of a white pine tree in the Canadian forest. Through what hands does that go to reach a box manufacturer, say, in Michigan?

Mr. KNAPPEN. Of course I can not answer that question from actual knowledge of the trade. I can just give you the inference that any fairly well-informed man might have or might give. I suppose the tree would be manufactured at some lumber mill in Canada, and that the lumber would be bought by an importer or wholesaler on this side of the line, and by him in turn be sold to the retailer.

Mr. BOUTELL. So that we would have, first, the owner of the tree, who saws it into boards; second, an American importer; and third, to follow out the illustration which I have adopted, an American box manufacturer, and say he is a maker of starch boxes, who sells them to the starch maker, and the starch maker sells the package to the jobber, and the jobber sells it to the retailer, and you and I are the ultimate consumers, together with the rest of the American people. Now there are six hands through whom the product of that tree passes. Now, of course, it can not be claimed that this \$2 is automatically renounced by the owner of the tree. He will try to get his benefit, will he not?

Mr. KNAPPEN. Certainly.

Mr. BOUTELL. He will try to get his benefit unless the Canadian is different from other people, and so on down the line; so that when you speak of the benefit to the consumer you speak of the American purchaser of the starch?

Mr. KNAPPEN. No; I not only refer to him, but I really had in mind the ultimate consumer as well.

Mr. BOUTELL. That is, the purchaser of the box of starch?

Mr. KNAPPEN. Yes. In that case he would be the man.

Mr. BOUTELL. You think the difference would work out all along the line?

Mr. KNAPPEN. Yes, sir. But in the illustration you cite it would not amount to much in the packing box.

Mr. BOUTELL. In our attempt to help the consumer in the modification or repeal of these duties we should look at the benefit, if we can, which it would bring about to the ultimate consumer—the man who uses it. Now, it is not safe to assume that by the repeal of the duty there is an automatic renunciation of all that duty by the originator of the article—the owner of the tree. He is not going to give it up. He is going to get all the benefit he can, and the wholesaler is going to get all he can.

Mr. KNAPPEN. I think so.

Mr. BOUTELL. So that, in considering the benefit to the consumer, we have got to consider that it may go through from two to six hands, all of whom may get their share of the profit.

Mr. KNAPPEN. I think so. I think you cited an extreme case in the case of the packing box that goes through six hands, but the principle would apply.

Mr. BOUTELL. Yes; the principle would apply, so that by looking at the question of repeal of duty from the point of view of the ultimate consumer, we have got to take into consideration the fact that there are other hands through which it passes, although it may not be six.

Mr. KNAPPEN. Yes.

Mr. BOUTELL. Now one other point, in reference to the question of conservation, and I may say I was very much interested in that feature of your paper as well as in the other discussion. I never have noticed in any part of Great Britain or on the Continent, to my recollection, a single frame house or a single house with wooden shingles, and with this rise in the price of lumber and this general tendency which now exists for preserving our forests and natural resources, have you thought at all of our possibility of supplanting in a measure a frame for the exterior of a house with the brick, stone, or concrete and the use of tiles, and what the comparative cost would be?

Mr. KNAPPEN. I can not say that I have gone into that question of comparative cost, but I have considered those factors as entering into the problem of lumber consumption, and I know that even in so old a civilization as they have in France, where, as you say, they have learned to economize in lumber and have substituted other things for it—even there, with all their economy, they are increasing their annual use of lumber 10 per cent per capita. It is the same in this as in many other things. A new article is used for something, but immediately there are other new uses for the old article, and I do not believe that the many substitutes for lumber that have been introduced and are being introduced will absolutely affect the demand, though they will relatively, but I believe that the demand will actually increase from year to year, as it has done heretofore.

Mr. BOUTELL. It certainly will unless we stop it. Would not the substitution in this country, to as large an extent as it has been substituted in Europe, of stone and brick and terra cotta and tiling for the exterior of houses make an enormous difference in the demand for high-class lumber?

Mr. KNAPPEN. It would, relatively, but I do not think it would cause us to decrease the use of lumber. To make my meaning plain, after that was done I do not believe that ten years from now we would be using less lumber than we are using to-day, though we might be using less lumber per capita.

Mr. BOUTELL. You have looked into the question in Canada and Mexico. Have you looked into the competition that may come from the West Indies, where, I understand, there is an inexhaustible supply of hard wood?

Mr. KNAPPEN. I am frank to say that I have not looked into that subject.

Mr. UNDERWOOD. I would like to ask you a few questions. The gentleman who examined you from the other side of the table asked you questions from the standpoint of protection. I want to ask you

questions from my standpoint. I am not a protectionist and do not believe in a protective tariff, but I do believe that a good deal of the revenue of the Government ought to be raised by taxes levied on goods imported into this country. Now, from that standpoint I want to ask you this: Is there importation of logs into this country free of duty now?

Mr. KNAPPEN. Yes, sir.

Mr. UNDERWOOD. Comparatively few logs, less than a million dollars' worth of logs, were imported in 1907?

Mr. KNAPPEN. Yes, sir.

Mr. UNDERWOOD. Do you know why there was not a larger amount of Canadian logs imported into this country?

Mr. KNAPPEN. One reason that would contribute to that is the fact that some of the Canadian provinces have either prohibited the export of logs taken from the government lands or else have imposed a discriminating tax upon those logs.

Mr. UNDERWOOD. That is just what I was coming to. As a matter of fact, the reason why the importation of Canadian logs into this country has been limited is because when this Government removed the duty from logs either the provinces or the Canadian government placed an export tax on logs, did they not?

Mr. KNAPPEN. I think it would be more accurate to say that when this country clapped a duty of \$2 a thousand on lumber the provinces retaliated by putting not an export tariff, but an export tax, on logs cut from crown lands.

Mr. UNDERWOOD. There is no difference, there is no distinction, between a tariff and a tax of that kind. It was a tax or a tariff, whichever you choose to call it, that prevented the importation of logs into this country?

Mr. KNAPPEN. I think so.

Mr. UNDERWOOD. And the revenue that was originally derived from the tax on logs, instead of going into the Treasury of the United States, goes into the treasury of the provinces or the Canadian government. Now I want to ask this question: Suppose we were to remove the present tax on sawed lumber in order to conserve our resources and preserve our forests. Would not the Canadian government do with sawed lumber just exactly what they did with logs—put an export tax or export duty on sawed lumber, and the tax would go into the Canadian treasury instead of going into our Treasury?

Mr. KNAPPEN. I do not think so.

Mr. UNDERWOOD. And the cost to the consumer here would be the same?

Mr. KNAPPEN. I do not think so.

Mr. UNDERWOOD. I would like you to give your reasons on that point.

Mr. KNAPPEN. The reason I make that statement is that in Canada the lumber-manufacturing industry, in a country where manufactures are not very extensively developed as yet, is a very powerful industry and has a great deal to do, as the lumber industry of this country has to do, with the shaping of legislation. I think that that influence would be great enough to prevent the Canadian government from imposing an export tariff, even if it were considered by the Canadian government a desirable thing to do.

Mr. UNDERWOOD. It was not great enough to prevent their putting that export tax on logs.

Mr. KNAPPEN. Notice that I said "lumber-manufacturing industry." The logger and the owner of logs and the lumber manufacturer in that case might have conflicting interests.

Mr. UNDERWOOD. You think, then, that if we removed the tax on lumber absolutely the Canadian government would leave it free trade and not put on an export tax?

Mr. KNAPPEN. I do believe that.

Mr. UNDERWOOD. Have you anything except your own opinion to warrant that statement? Have you investigated it?

Mr. KNAPPEN. I have talked with Canadian lumbermen, and I know they will vigorously oppose such a movement, and I know that they do not think it will be done.

Mr. UNDERWOOD. That is all I wanted to ask. Have you any witnesses that you expect to introduce here who have considered that particular question?

Mr. KNAPPEN. I think so.

Mr. UNDERWOOD. What are their names?

Mr. KNAPPEN. I think that Mr. Scanlon and Mr. Lynch and Mr. Rogers are competent to testify on that subject.

Mr. UNDERWOOD. That is all I have to ask.

Mr. FORDNEY. Mr. Knappen, you stated that the price of southern lumber had increased 77 per cent in a given number of years.

Mr. KNAPPEN. I do not recall the exact figure, but I think that was it.

Mr. FORDNEY. If that is true, the price on southern lumber was then around \$17. It is pretty low now when it is only \$13?

Mr. KNAPPEN. The figures are not my figures.

Mr. FORDNEY. That was in 1880, I think.

Mr. KNAPPEN. Those figures were taken from the pamphlets issued by the Forest Service of the Government. They are not collected from private sources.

Mr. FORDNEY. You stated also that from 1880 down to date the production of lumber in the State of Washington had increased thirteen-fold?

Mr. KNAPPEN. Yes.

Mr. FORDNEY. Is it not true that in 1880 Michigan and Wisconsin, especially those two States, were supplying a very large amount of lumber east of the Missouri River?

Mr. KNAPPEN. Yes; that is true.

Mr. FORDNEY. And that the industry in the State of Washington was really in its infancy and just starting up?

Mr. KNAPPEN. That is true.

Mr. HILL. Mr. Knappen, will you ask your people who are here if any of them have in their pockets the present price lists at which agents are supplying lumber throughout the country? If so, I would like to have a copy.

Mr. KNAPPEN. I will ask them about that.

Mr. HILL. I think your statement will be more than sustained by such prices. Now, the first question asked was, "Whom do you represent?" You recognize the fact that you do not have to represent anybody but yourself as an American citizen in coming before this committee?

Mr. KNAPPEN. Yes; and I thank you for that suggestion. I noticed a statement in the paper the other day by Mr. Payne, the chairman, to the effect that American citizens are welcome here, and I think that is a sufficient justification for me to be here, even if I represent nobody but myself.

Mr. FORDNEY. I made no reflection on you whatever. I asked you, when you said you represented a certain association, if it were not yourself, and you admitted you were the whole association.

Mr. KNAPPEN. I was perhaps overfrank in that statement. [Laughter.] I mean I think I did myself an injustice. I would like to give you the names of our official personnel, if that is at all pertinent.

Mr. FORDNEY. Not at all; not at all, sir. I only wanted to know what interest you represented. Everybody is welcome, so far as I am concerned, and I am pleased to see you here and to get better acquainted with you.

Mr. KNAPPEN. Thank you.

Mr. CLARK. Mr. Knappen, in this question that Mr. Boutell asked you, which you answered, about the ultimate consumer, it is not probable that the Canadian miller, if that is a proper term, and the wholesaler and the retailer could manage to absorb all of this \$2, is it?

Mr. KNAPPEN. Did you say, Isn't it probable they would?

Mr. CLARK. I said, Is it not probable that they would not?

Mr. KNAPPEN. I think they would not be able to manage it.

Mr. CLARK. Would not the competition have something to do with holding the prices down until the American and Canadian lumbermen would have time enough to form a new combination? [Laughter.]

Mr. KNAPPEN. You can not tell what a lumberman will do. [Laughter.]

Mr. CLARK. But they would, in the nature of things, have to take a little time to get up a trust that would cover both the United States and Canada, would they not? [Laughter.] In that brief breathing spell the consumer would get a little advantage in this shaving off the tariff.

Mr. KNAPPEN. I think that much is certain.

Mr. CLARK. And if they did not succeed in getting up this international combine the consumer would get his pro rata share of this \$2 difference?

Mr. BOUTELL. Is there an international lumber trust now?

Mr. KNAPPEN. I do not believe there is.

Mr. BOUTELL. So that there is not at the present time any combination between American and Canadian lumbermen?

Mr. KNAPPEN. I do not think there is.

Mr. CLARK. But it is a rather peculiar coincidence that they all sell at the same price, is it not? [Laughter.]

Mr. BOUTELL. Have you any idea that on the repeal of this duty there would be this calamity that Mr. Clark suggests, of a combination between the American and the Canadian lumbermen?

Mr. KNAPPEN. That is a possibility, of course.

Mr. BOUTELL. Then, by repealing the tariff, we would get a greater trust than before—an international instead of a national one?

Mr. KNAPPEN. Mr. Clark has suggested the defense.

Mr. FORDNEY. Is it not true that in a given market Canadian and American wheat men sell wheat at the same price?

Mr. KNAPPEN. I think so.

Mr. FORDNEY. But that is no sign of a combination, is it, in itself?

Mr. KNAPPEN. I do not think so.

Mr. CLARK. Let me ask this question for the benefit of Brother Fordney: Do not these big handlers of wheat fix the price to the farmer, and the farmer has got to take that or not take anything? Is not that true?

Mr. KNAPPEN. The farmer is offered a fixed price for his wheat. Whether a combination of buyers has fixed the price, or whether the operation of conditions has done it, it is a fact that every farmer out of a million is offered the same price on the same day.

Mr. CLARK. Now, another question: Would not the wonderful sameness of prices in lumber products suggest to you at least that there was "a gentlemen's agreement" in keeping up the prices of lumber?

Mr. KNAPPEN. Yes; it would make that suggestion.

Mr. BOUTELL. There are "gentlemen" in Minneapolis, are there not?

Mr. KNAPPEN. Yes.

Mr. FORDNEY. When the prices are going up, those dreams are very delightful?

Mr. KNAPPEN. Yes, sir.

Mr. FORDNEY. I want to ask you a question, in answer to what the gentleman from Missouri [Mr. Clark] asked you about the elevator man, as you may put it, who fixes the price to the producer. I am not an elevator man or a yard dealer. I am talking from a manufacturer's standpoint. I am in the place that the farmer is in the market in the case he speaks of, and not in the place of the elevator man, and every producer of forest products is exactly in the same position that the farmer is in with respect to the elevator man as compared with the yard dealer.

Mr. GAINES. Mr. Knappen, you said that a great deal of land for a long distance about Minneapolis had no timber on it. What is the character of that land?

Mr. KNAPPEN. Some of it is good agricultural land. Some of it is practically worthless. It varies, of course, according to the soil. Where there is a clay soil, with a covering of humus, we have a good agricultural land that can be used for agriculture after the trees are removed; but it is true that as to a great deal of the soil, where pine grows, not a very profitable use can be made of it in agriculture.

Mr. GAINES. Can you give me an idea of the proportion of the land that is good and that which is useless—or did you say any of it was useless?

Mr. KNAPPEN. I would not say that any of it was absolutely useless—yes; I would say that some of it is absolutely useless. That which is rocky is useless. But even the sandy soil has some value for producing grass crops.

Mr. GAINES. Is not your city of Minneapolis more benefited by the increased agricultural population of this land off which the timber has been taken than it would be benefited by keeping it in timber?

Mr. KNAPPEN. Where the soil is good there is no question about that.

Mr. GAINES. I speak from the West Virginia standpoint, and we are rather more interested in getting people there than in keeping a woody country.

Mr. KNAPPEN. Yes. What I said should not be construed as any sort of criticism of the lumbermen for removing that timber. That was the farthest from my thought. I was simply illustrating how the supply was decreased.

Mr. GAINES. Yes; but your conclusion was that the condition of the country when the lumber was removed was worse than it was before?

Mr. KNAPPEN. Yes; I think that is true of a large part of Minnesota and Wisconsin, and it will only be profitably used in a long time to come, when the country is properly reforested.

Mr. GAINES. You have no plan to suggest, have you, by which the timber could be taken off a portion and not off another portion? That is, the conditions which induce the cutting of the timber from an acre of land will induce the cutting of it from the adjacent acre? Do you propose to lodge some power somewhere to permit the Government to determine what acre shall be cut and what shall not? You do not go that far?

Mr. KNAPPEN. No; I do not go that far.

Mr. GAINES. Now, I understand you to say, also, that it was conceded that the cutting off of the timber produced floods and droughts?

Mr. KNAPPEN. Yes.

Mr. GAINES. Is that conceded? It is claimed, I know.

Mr. KNAPPEN. I thought it was conceded—so much so that I skipped the part of my paper dealing with that in order to save time. I did not present those facts at all.

Mr. GAINES. I have heard that the greatest flood in the Ohio River was in the year 1837.

Mr. DALZELL. 1832.

Mr. GAINES. Then there was a large one in 1847, and another one in 1884, larger than we have had since. I do not think that is conceded. I know it is claimed that it caused that.

Mr. DALZELL. I want to say, Mr. Gaines, that a short time ago I had a conversation with Major Sibert, who is one of the most distinguished of our engineers in Panama. Now, he denies that theory absolutely.

Mr. GAINES. My own observation would deny it, but that would not be enough to generalize upon.

Mr. KNAPPEN. Most of the supposed authorities that I consulted on the matter seemed to be agreed, and therefore I used the word "conceded."

Mr. GAINES. Mr. Knappen, if Canada should place upon any lumber products from which we removed the duty an export duty equal to what we would take off, from the amount by which we should reduce the traff on lumber products, no change in the conditions would result except that the money we now collect as tariff would be transferred into the treasury of the Canadian government. Would not that be true?

Mr. KNAPPEN. I think that is obvious.

Mr. HILL. You understand that the export duty that is put on by Canada is now added supplementary to the duty on lumber now coming into this country, the United States?

Mr. KNAPPEN. Yes.

Mr. FORDNEY. The Canadian government does impose an export duty on logs now, does it not?

Mr. KNAPPEN. The Canadian government does not.

Mr. FORDNEY. Well, what power on earth does? Is it not true that there is an embargo, that the crown land department compels now the manufacturing in Canada of timber cut from crown lands?

Mr. KNAPPEN. That does not exactly describe it. Take the timber in Ontario. It is owned, not by the government of Canada but by the government of Ontario, by that province, and that province does impose an embargo on timber cut from land owned by the province. but not from land owned by you or me or anybody else. If you owned lands in Ontario that had timber on them you could freely cut those logs and bring them into this country.

Mr. FORDNEY. How much of lands are there in Canada owned by individuals outside of their crown department? There is not anything more, is there, except Indian lands?

Mr. KNAPPEN. I think there is a certain amount, not a large proportion, of the whole lands that now have standing timber that are owned in fee. Certain amounts of timber land have passed into the hands of settlers. There have been some special concessions that departed from the usual Canadian practice which have resulted in the fee of lands passing to individuals.

Mr. FORDNEY. There is no timber now in Ontario that comes to the United States in logs?

Mr. KNAPPEN. I think there are some logs that come from Ontario now.

Mr. FORDNEY. I do not know of any.

The CHAIRMAN. It is a very small amount.

Mr. KNAPPEN. Pulp wood comes in. It is timber and subject to that embargo.

The CHAIRMAN. The only prohibition is in the province of Ontario, is it not, and that relates to all sorts of logs, pulp wood, and others, and it is an actual prohibition of exports from government land?

Mr. KNAPPEN. I understand it is so as to the province of Ontario. The province of Quebec, instead of imposing an embargo, is, to my recollection, imposing a discriminating tax. That is, if you cut timber from crown or government lands you will be taxed so much if it is consumed in Canada, and taxed a little more if exported.

The CHAIRMAN. That is a sort of stumpage tax, is it not?

Mr. KNAPPEN. Yes, sir.

The CHAIRMAN. Now, one word as to the theory of my friend [Mr. Boutell] as to the ultimate consumer. [Laughter.] If the ultimate consumer buys an orange or a box of matches on that price the reduction of duty would have to be very large in order to affect the price of the orange or the box of matches?

Mr. KNAPPEN. I think there is no doubt about that.

The CHAIRMAN. But on the question of selling boards or sawed timber, where it is sold by the thousand and where the duty is \$2 a thousand, that presents an altogether different proposition as to whether the ultimate consumer would get any benefit from it, would it not?

Mr. KNAPPEN. I think it does.

The CHAIRMAN. If there was competition and a reduction of duty, likely some of it would come to the ultimate consumer?

Mr. KNAPPEN. That is my position.

The CHAIRMAN. Do you know whether this Georgia pine is cut now in the State of Alabama? All southern pine, I believe, is called Georgia pine. Do you know whether any of this is cut in Alabama?

Mr. KNAPPEN. I believe there is.

The CHAIRMAN. There is a supply down there?

Mr. KNAPPEN. I think there is.

The CHAIRMAN. And hence a duty which reported a revenue of \$2 a thousand would incidentally help the lumbermen, perhaps, in Alabama?

Mr. KNAPPEN. I see no reason to conclude that the Alabama lumberman would not share in the same benefit that the other lumbermen would claim.

The CHAIRMAN. It would be levied simply for the purpose of a tax, but incidentally it might help? [Laughter.]

Mr. KNAPPEN. Yes.

The CHAIRMAN. That is all I have to ask.

Mr. UNDERWOOD. I merely wanted to ask you this question: When you come down to the question of the ultimate cost to the consumer, the seller of any article is going to get all out of it he can. It is a question of competition, in the end, as to what the ultimate consumer will pay for any article he buys?

Mr. KNAPPEN. I think that is right.

Mr. UNDERWOOD. And the more you broaden competition the more chance the ultimate consumer has of buying a cheap product?

Mr. KNAPPEN. Yes. I should lay more stress on that broadening of the market than on the mere \$2.

Mr. BOUTELL. Inasmuch as the chairman has called up the name of my friend, the Ultimate Consumer—I am glad he is taking interest in it—I have here a memorandum with reference to the repeal of the lumber duty, which, it seems to me, would be most beneficent—that is, the repeal of the hardwood tax on the manufacture of furniture. There is a case, is it not, where it would go through fewer hands, and the ultimate consumer of furniture would be apt to get a good deal of benefit from a reduction?

Mr. KNAPPEN. You think wood imported into this country and manufactured into furniture would go through fewer hands?

Mr. BOUTELL. Yes; I should say it would go through fewer hands than would the vast amount of lumber that is used for packing manufactured products like cotton goods and starch and canned goods. In other words, the benefit to the consumer from the repeal of the lumber duty would be more largely felt and could be most largely felt through competition in the price of furniture?

Mr. GAINES. Is it your position, Mr. Boutell, that with free logs for furniture there would be probably a considerable ultimate reduction of price to the consumer?

Mr. BOUTELL. I was not referring to free furniture, but to free lumber that goes into the manufacture of the furniture. The factories of furniture in North Carolina are now second in the country, and the factory at Grand Rapids is first.

Mr. KNAPPEN. Assuming that it would go through fewer hands in the case of furniture, I should say you are right.

Mr. FORDNEY. Now, Mr. Knappen, with reference to the package, the chairman asked you whether or not the man who purchased the article in a package would be benefited by the reduction of duty, and he showed that it would be so small that he would receive no benefit; but he showed, on the other hand, that the man who purchased the lumber would be benefited. It is my understanding and knowledge, gained since I have been engaged in the business, that 60 per cent of the lumber imported into this country is consumed in the manufacture of packages, and in that case only 40 per cent of the people would be benefited by a reduction of the duty on wood used for furniture, whereas 60 per cent would get no benefit. Is that right?

Mr. KNAPPEN. I do not think I conceded that the man who purchases lumber in the form of a box would get no benefit. Of course we can not tell whether he even pays anything for that box, or what percentage of the cost of the whole article goes to the box.

Mr. FORDNEY. When he bought a yard of calico or cotton goods he would not get very much benefit out of the reduction in lumber in the box that brought it to market?

Mr. KNAPPEN. No, sir.

Mr. CLARK. If a man builds a five, or six, or eight room house he would get some considerable advantage, would he not?

Mr. KNAPPEN. Yes, sir.

Mr. CLARK. Now, if laths were selling for \$2.25 a thousand in 1901, and were selling for \$6 a thousand in 1907, and other lumber prices have advanced that much—I am talking about the retail trade—then there is a good deal of extraordinary profit that might be divided up so that the consumer would get part of it?

Mr. KNAPPEN. Yes, sir.

Mr. HILL. Is there any province in Canada where they make crown lands a matter of bidding at auction—

Mr. CLARK. Now, is it not a fact, that they are—

The CHAIRMAN. Gentlemen, I would suggest the advisability on the part of members of the committee of refraining from engaging in debates with each other while so many witnesses are here waiting to be heard. What we want most is information from the witnesses, and then we can engage in discussions afterwards.

Mr. CLARK. If these hearings amount to anything, when we strike a schedule like this lumber schedule we ought to have it out, even if it takes until Christmas.

The CHAIRMAN. We ought to have the questions asked, but if you want to be here until after the 4th of December and still be asking questions, go ahead. We will ask the gentleman to come again. I was not objecting to asking questions, but simply to this joint debate between members of the committee. We will have plenty of time for that in the committee.

Mr. FORDNEY. Mr. Chairman, I have no desire to consume time. I know the anxiety of other gentlemen here who are anxious to be heard, and I am ready to stay here until next year to get the facts. That gentleman stated that laths were selling at \$2.25 a thousand in 1901, and at \$6 in 1907, and if true it is a fact of importance to be brought out.

Mr. CLARK. I stated that because I bought them at that time.

Mr. HILL. Is there any province in Canada, Mr. Knappen, where the crown lands are not sold at auction—the right to cut timber on them?

Mr. KNAPPEN. No, sir.

Mr. HILL. And where American citizens are debarred from purchasing those rights?

Mr. KNAPPEN. No, sir.

Mr. HILL. Any American citizen can go in and bid on a parity with the Canadian?

Mr. KNAPPEN. Yes, sir.

Mr. GRIGGS. Does Canadian lumber compete with the lumber of the South? Is there any real competition?

Mr. KNAPPEN. I do not think there is much real direct competition. Of course the argument of the interested lumbermen would be that with the introduction of Canadian lumber the white pine lumbermen might have to sell at a lower price now, and therefore cover a larger area, and in that way get farther South and in competition with the yellow pine.

Mr. GRIGGS. Could the Canadian lumbermen compete with the Georgia and Alabama and Mississippi lumbermen with the tariff taken off?

Mr. KNAPPEN. I think practically none at all.

Mr. BOUTELL. How would it be with the Mexican?

Mr. KNAPPEN. As to Mexican, Mr. Boutell, my understanding as to Mexico is that while there are some considerable forest areas there, it is not yet commercially available, and therefore can be practically dropped out of this discussion.

Mr. CLARK. Is it not a fact that they are shipping yellow pine into Canada now?

Mr. KNAPPEN. Yes, sir.

Mr. CLARK. That is, shipping it from our Southern States into Canada?

Mr. KNAPPEN. Yes, sir.

Mr. CALDERHEAD. You stated, Mr. Knappen, that the United States is the leading export nation in lumber. What proportion of our export goes to Canada?

Mr. KNAPPEN. My recollection is that our exports to Canada in 1907 were between nine and ten million dollars. If you put it at \$9,000,000, that would be about 15 per cent.

Mr. CALDERHEAD. From what part of the United States did it go?

Mr. KNAPPEN. A very considerable part of it went from the Southern States, but exactly what percentage I can not say. It seems that in the manufacture of agricultural implements this southern wood is much preferred.

Mr. CALDERHEAD. Hard pine, you mean?

Mr. KNAPPEN. Yes; and one of the large manufacturers of agricultural implements in Canada told me that practically all the timber they used in their industry was brought from the Southern States.

Mr. UNDERWOOD. You mean when they wanted good lumber they sent down there? [Laughter.]

Mr. KNAPPEN. That would be satisfactory to southern pride to put that interpretation on it.

Mr. RANDELL. What portion of the United States would be first denuded of timber, according to the present trend?

Mr. KNAPPEN. I should say that the States that will first be denuded of timber are Michigan, Wisconsin, and Minnesota. They are in the greatest danger now. That does not take in account the States that have been practically denuded in the past, but existing lumber regions, I should say.

The CHAIRMAN. Are there any further questions? If not, that is all, Mr. Knappen.

Mr. KNAPPEN. We want to file a brief a little later.

The CHAIRMAN. You may do so at any time until the 4th of December; now, if you are ready.

**STATEMENT MADE BY ARTHUR ROGERS, OF MINNEAPOLIS,
MINN., FAVORING REMOVAL OF DUTY FROM LUMBER.**

FRIDAY, November 20, 1908.

Mr. ROGERS. Mr. Chairman and gentlemen, I am a retail dealer as well as a manufacturer in Canada. My retail interests are this side of the line. I also have some interests on the other side of the line. As a retail dealer I am in favor of the removal of the tariff on lumber on the theory of the broadening of the markets.

Mr. UNDERWOOD. Do you live in the United States?

Mr. ROGERS. Yes, sir. I live in Minneapolis. I am in favor of the removal of the duty on lumber on the theory that the broadening of the markets would have a tendency to reduce the price of lumber to the consumer, and in reducing the price of lumber to the consumer it is not on the theory entirely that the consumer would be the only person benefited, but by reducing the price to him it would enlarge our business to that extent.

A question was asked of the gentleman before me with reference to selling lumber from the United States in Canada. The company I represent has lumber yards in Canada. During this year we have purchased a large quantity of lumber in the United States and shipped it into Canada, because we could buy that lumber in the United States for a less price per thousand feet than we could afford to deliver it from our own mill in British Columbia, because the cost of production in British Columbia is higher than in the United States. We believe that if the American lumberman can ship his lumber to us as consumers, we as producers should have the same privilege of competing with the American on the same ground as he can compete with us. We have timber in the United States and we have timber in Canada. I do not believe that our timber in the United States would be affected in price by the removal of the duty, but it would enlarge our market in Canada without question. It would have this effect: As time goes on and lumber advances rapidly in price the competition of Canadian mills would enable the distributor to maintain a more uniform and stable price, thereby benefiting the consumer. I do not believe that the price of lumber in the United States would be very materially reduced, on the average. I believe, however, that it would have a tendency to prevent rapid advances, because of the fact that with the competitive markets of the whole North American continent north of the Mexican line practically opened up it would give a buyer a larger market and better

opportunity for competitive buying, and thus maintain a lower average price.

The ultimate consumer, if I may anticipate a question that will probably be asked, in our case is the farmer. We sell to the farmer. Our price of lumber is based absolutely on the cost of the lumber to us. If we can buy fir lumber from the coast country and pine lumber from the Spokane district, at a certain price per thousand, the average of our retail price is based on the average of our cost of lumber from the manufacturer of those districts. We believe that if the duty was taken from lumber there would be a lower average price—not necessarily a lower price continuously, but a lower average price—of such a nature that we could have our price based on a lower average, and consequently sell at a more uniform basis year after year; therefore at a naturally lower price.

I am inclined to think I will be asked, and in all probability will be asked, Is the price of lumber too high? From the retailers' standpoint, the lower we can sell our product the better we like it; not because we do not want to make a profit; we do; but we want the man who sells to us to make a profit. If we can run a lumber yard at a \$100,000 investment, because the lumber costs \$2 a thousand less, we would rather do that. We can make more money. The percentage of profit is the true basis that we have in mind all the time.

The question of cost of manufacture, I presume, other gentlemen will enlarge upon, and unless you wish to ask me some questions that is all I have to say.

The CHAIRMAN. I understand when the manufacturer advances his price, you follow it, but not rapidly?

Mr. ROGERS. We can not do it; we do not follow him rapidly.

The CHAIRMAN. And when he lowers his price, you follow him in that?

Mr. ROGERS. Yes, sir; but not rapidly.

The CHAIRMAN. If one of your rivals happens to get out of high-priced lumber and buys a new invoice in the meantime and puts the lumber down, you follow more rapidly?

Mr. ROGERS. We have had that experience in the past twelve months, and unfortunately we have had to do it. We had a large amount of high-priced lumber.

The CHAIRMAN. The competition of lumber dealers in Minneapolis forces you sometimes to put down the price before you are ready for it, does it not?

Mr. ROGERS. Yes; but we are not dealers in Minneapolis. Our field is with the farmers west of Minneapolis.

The CHAIRMAN. But the tendency is to follow?

Mr. ROGERS. Yes; but it does not follow rapidly.

Mr. BOUTELL. You think the competition among the Canadian cutters would so bring down the initial price of lumber here that this \$2 a thousand could be passed on to the farmer?

Mr. ROGERS. I do not know that the \$2 could, but I should say that the minute the Canadian forces the price down, if we absorb one dollar of that, the other dollar would ultimately get to the consumer.

Mr. BOUTELL. So that, in your opinion, as a man dealing with the ultimate consumer, the repeal of the lumber duty would benefit the consumers as a class, in two ways: First, by an actual reduction to

the individual purchaser, and, second, by greater uniformity in prices?

Mr. ROGERS. I think the last would be a greater advantage than the reduction would be—the uniformity of price.

Mr. BOUTELL. You state with greater confidence that there would be uniformity of price than that there would be a lowering of price.

Mr. ROGERS. That would be the tendency.

Mr. CLARK. What has produced the enormous advance of lumber in the last eight or ten years—that is, to the man that uses it?

Mr. ROGERS. I presume there are several things, but I presume the principal point has been the desire on the part of everyone to make some money. We would like to make some money.

Mr. CLARK. It has been the desire to make more money than they ought to be allowed to make.

Mr. ROGERS. That is a question, I suppose.

Mr. FORDNEY. Has the price of stumpage and labor advanced during that time?

Mr. ROGERS. Stumpage has advanced quite a little, but it has not advanced anywhere near as much as the price of lumber has advanced.

Mr. FORDNEY. You are a retailer, are you not?

Mr. ROGERS. Yes.

Mr. FORDNEY. Where are your yards located?

Mr. ROGERS. In North Dakota, Minnesota, and Nebraska.

Mr. FORDNEY. You are a Canadian manufacturer, are you not?

Mr. ROGERS. Yes, sir.

Mr. FORDNEY. Do you supply your yards from Canada?

Mr. ROGERS. Our American yards?

Mr. FORDNEY. Do you supply your American retail yards from the mills in British territory?

Mr. ROGERS. No, sir; but—

Mr. FORDNEY. You would do it if you had free trade on lumber?

Mr. ROGERS. We would if the price of our mill product was lower, or as low, as the prices of those who enter into competition with us were; otherwise, not. We would get the most out of it that we could. If, in competition with other mills in Canada, our retail yards could buy cheaper from our competitors than we are willing to sell for, we would buy from the competitors.

Mr. CRUMPACKER. Is there not a strong sentiment among farmers in the entire Northwest for the abolition of the tax on lumber?

Mr. ROGERS. There is; yes, sir.

Mr. FORDNEY. What do you mean by “the entire Northwest?”

Mr. ROGERS. Well, we are doing business in Minnesota and North Dakota, and we know there is such a sentiment there, and it exists to some extent in Nebraska.

Mr. FORDNEY. How about Washington, Oregon, Idaho, and Montana?

Mr. ROGERS. They are producing States, and I do not know that I care to answer the question in regard to them.

Mr. FORDNEY. But that is practically the Northwest, is it not?

Mr. ROGERS. But I did not suppose it was intended to cover the whole map of that country.

Mr. FORDNEY. But he said the “entire Northwest.”

Mr. ROGERS. Well, in those prairie States where they are consumers, not producers, this would apply.

Mr. CRUMPACKER. I suppose you include Indiana?

Mr. ROGERS. I would be glad to.

Mr. FORDNEY. When you purchased lumber in Canada from the Washington manufacturer did you buy it any cheaper than for the same grade of lumber in other parts of the United States?

Mr. ROGERS. I do not think we did.

Mr. FORDNEY. You are not the witness, then, that Mr. Knappen referred to to show that the American was selling cheaper in Canada?

Mr. ROGERS. If I am, Mr. Knappen did not understand the position. I told Mr. Knappen that I bought lumber in the United States because the American lumberman could afford, I imagine, to sell that lumber cheaper than the Canadian.

Mr. FORDNEY. The lumber business on the Pacific coast in the last twelve months has been in a bad condition, has it not?

Mr. ROGERS. Probably no worse than the lumber business anywhere else, relatively, excepting the Mississippi Valley.

Mr. FORDNEY. I think so.

Mr. ROGERS. Well, possibly you may be better informed than I am.

Mr. FORDNEY. The freight rates are against them on the low grades of lumber, are they not?

Mr. ROGERS. Freight rates have only been advanced in less than sixty days, so that that could not be used over the twelve months.

Mr. FORDNEY. Now, Mr. Rogers, in favoring the reduction of the duty on lumber, are you speaking from the consumers' standpoint in the United States or the manufacturers' standpoint of the Canadian or British Columbia lumber, or both?

Mr. ROGERS. As a matter of fact, the British Columbia dealer, of course, would like to have it; there is no question about that. Every man is selfish, and we are probably just as selfish as you are in Michigan, or anywhere else, so far as lumber is concerned. As middlemen, we would like to see it off in the United States because we can take care of our trade to a better advantage by having a larger market to draw from.

Mr. HILL. You have lumber yards in Canada as well as in the United States?

Mr. ROGERS. Yes, sir.

Mr. HILL. Do you sell the southern pine in Canada?

Mr. ROGERS. None at all.

Mr. HILL. How long have you been in business?

Mr. ROGERS. I have been in the lumber business twenty-seven years.

Mr. HILL. When you began business at retail, what was the price of first-class uppers?

Mr. ROGERS. I don't remember that.

Mr. HILL. What are you selling them at now—for the selects, first quality, white-pine lumber?

Mr. ROGERS. Our best finishing lumber, probably of which very little is sold, is about \$60, roughly.

Mr. HILL. You would not call that what is known to the trade as "uppers?"

Mr. ROGERS. The average trade that we handle does not use much high-grade lumber.

Mr. HILL. You can not get it?

Mr. ROGERS. Oh, we can get it.

Mr. HILL. Where from?

Mr. ROGERS. We can buy of the Cliquot Lumber Company. They have a representative here.

Mr. HILL. An American product?

Mr. ROGERS. Do you mean in Canada?

Mr. HILL. Yes.

Mr. ROGERS. In Canada we would buy uppers from the mountains in the form of spruce. We do not use pine.

Mr. HILL. What are you retailing first-class uppers for in the American yards?

Mr. ROGERS. About \$60.

Mr. HILL. What are you selling laths for at retail?

Mr. ROGERS. I think it is about \$5.

Mr. HILL. How low have they sold during the twenty-seven years that you have been in business?

Mr. ROGERS. As low as \$2.

Mr. FORDNEY. In what year?

Mr. ROGERS. I can not state that.

Mr. FORDNEY. From 1893 to 1896, wasn't it?

Mr. ROGERS. I have produced lath for less than 90 cents, and sold them at 90 cents in Minneapolis.

Mr. HILL. You say they are selling at \$5.

Mr. ROGERS. Yes.

Mr. HILL. I have sold some myself for less than \$2. Do you sell southern pine, North Carolina pine, in your yards?

Mr. ROGERS. No; excepting in Nebraska; we handle a little in Nebraska.

Mr. HILL. What is the price of ordinary roofer, North Carolina roofer, that you are now selling in Nebraska, the next grade above mill cut?

Mr. ROGERS. I do not remember, but if I have the data I will get it and hand it in.

Mr. HILL. I would be glad to have you to do so.

Mr. ROGERS. I am frank to say that I am not very well posted on the detail of prices.

Mr. BOUTELL. I think you are undoubtedly the best witness that we will have to explain the dilemma in which my friend, Mr. Clark, fell as an ultimate consumer in 1908. Did his experience in paying \$6 a thousand for laths in 1908, as against \$3.25 in 1901, represent the normal trend in the lumber business, or was that an abnormal condition in the retail trade at that particular point?

Mr. ROGERS. It was not due to the retail trade. You had a price the retailer had to pay the producers for the laths.

Mr. BOUTELL. Was that brought about by a combination which had raised the price?

Mr. ROGERS. I do not believe there is a combination amongst the manufacturers anywhere. I believe that is entirely due to the supply and demand for the product.

Mr. BOUTELL. But was purely a normal increase, unaffected by any monopoly regulations?

Mr. ROGERS. I do not believe there is a monopoly in the lumber business; none that I know of.

Mr. UNDERWOOD. You are a manufacturer of Canadian lumber. You are familiar with the stumpage laws of the provinces?

Mr. ROGERS. Yes; the sections where we are located.

Mr. UNDERWOOD. For what purpose did the province place a stumpage tax on export logs?

Mr. ROGERS. As I understand it, that is not exactly the case. The Canadian government—that is, the British Columbia government—placed an embargo on the exportation of logs from their own limits, what they call the provincial limits.

Mr. UNDERWOOD. That is what I asked you. Do you call it an embargo or tax?

Mr. ROGERS. There was no tax, it is simply a prohibition.

Mr. UNDERWOOD. An absolute prohibition?

Mr. ROGERS. An absolute prohibition.

Mr. UNDERWOOD. That was for the purpose of conserving their forests at home?

Mr. ROGERS. It is pretty hard to tell what the government does things for; I do not know.

Mr. UNDERWOOD. Well, wasn't it so stated that it was for that purpose?

Mr. ROGERS. Possibly so.

Mr. UNDERWOOD. What I want to ask you is, if they did put an embargo or tax, whichever it is, on their stumpage for the purpose of conserving their forests at home, if we took off the entire tax on lumber, would they not also put a tax or embargo on it, to still conserve their unsawed lumber and forests?

Mr. ROGERS. I do not believe that the Canadian government figures at the present time on the question of conservation very strongly. If they did put an export duty, then I believe it would be up to this Government to reinstate its tariff.

Mr. UNDERWOOD. That is what I am getting at. Then you think it would be unwise for us to absolutely repeal the tax on lumber unless we did it in a qualified way, and left it to the executive department to regulate?

Mr. ROGERS. I think probably that would be the method.

Mr. UNDERWOOD. In other words, it would be necessary to have a maximum and minimum rate?

Mr. ROGERS. I don't know that it would be necessary to do that. I should think it would be perfectly proper for this Government to insist that the lumber from Canada should come in free if we remove the duty.

Mr. UNDERWOOD. In other words, it would be unwise, perhaps, for us to remove a tax that is now coming into the Federal Treasury and allow the Canadian government, or its provinces, to put the same tax on timber to conserve theirs?

Mr. ROGERS. But the tax that comes into the Federal Government is very small from Canadian lumber.

Mr. UNDERWOOD. At what point, as a lumber dealer, do you think the tax should be placed that would produce the greatest revenue to this Government? It is \$2 now on sawed lumber.

Mr. ROGERS. It is more than \$2.

Mr. UNDERWOOD. On certain kinds of sawed lumber?

Mr. ROGERS. As a matter of fact the other kinds of lumber are the kinds that cut the most figure. The consuming trade does not use much rough lumber. The tax runs up to \$3.

Mr. UNDERWOOD. At what point do you think a reduction of the tax on sawed lumber and finished lumber would produce more revenue for the Government than the present tariff?

Mr. ROGERS. I believe that if the tariff on lumber was say 50 cents, that we, as a sample, would ship more lumber into the United States than we do at \$3. But it is very hard to tell the proportion.

Mr. UNDERWOOD. Would that produce more revenue? That would cut down the amount of the tax to one-sixth.

Mr. ROGERS. That is pretty hard to tell.

Mr. UNDERWOOD. From a revenue standpoint then, you are unable to tell?

Mr. ROGERS. You can not tell that. If the price in the United States was as low as it has been in 1908, the removal of \$1.50 duty would not bring in much lumber. If the lumber prices were as high as 1907, the removal of \$1, \$1.50, or \$2 would bring in a great deal of lumber possibly. I imagine the lumber manufacturer selling on this side of the line would use just exactly the same kind of business methods that he always has. If he found it was necessary to reduce the price to meet competition he would reduce it what was necessary, and if it was not necessary he would not do it.

Mr. FORDNEY. That is true if the conditions should be the reverse. If the price of lumber is higher and there is a good demand for it anywhere, then it would find another market, but when the price is exceedingly low, then is when the Canadian lumbermen will dump his low-grade lumber on the American market.

Mr. ROGERS. I do not believe that is the case, and this last year is a sample. There has been practically no Canadian lumber coming into this country, at least not in any such volume as last year.

Mr. FORDNEY. Isn't it true that after having had the good prices that they were hanging on to wait for Taft's election, believing that they would have better prices?

Mr. ROGERS. On the other side of the line, do you mean?

Mr. FORDNEY. Everywhere.

Mr. ROGERS. I wish it was so on the other side.

Mr. FORDNEY. Well, when prices are good on this side they are good on the other side.

Mr. ROGERS. But not in the same proportion.

Mr. FORDNEY. Well, I used to manufacture in Canada, and I found it so.

Mr. ROGERS. Well, I have, too.

Mr. FORDNEY. Isn't it true that quite likely the Canadian government put an embargo upon logs in order to benefit their own manufacturers and labor, by compelling that lumber to be manufactured at home?

Mr. ROGERS. I presume that was the case. At the same time, if the Puget Sound mills can increase their exports to foreign markets in the proportion that has been shown, as against the increase in Canada, does it look as though the Canadian government needs to do very much to protect the labor in that country?

Mr. FORDNEY. But does it not look, on the other hand, in answering your question, that they have no market for their low grades, and do not increase their foreign trade on high grades for that reason?

Mr. ROGERS. I do not think that is the case.

Mr. FORDNEY. What do they do with their low grades?

Mr. ROGERS. The low grades go on the prairies; otherwise, I imagine they do, as I suggested a while ago, leave the tops in the woods.

Mr. FORDNEY. Or otherwise it would come to the United States, would it not; a very large amount of it?

Mr. ROGERS. It would providing the American manufacturer did not meet the competitive conditions and put his price where their prices were.

Mr. FORDNEY. I manufactured lumber in Canada when white pine was on the free list, and we dumped the mill cuts into the United States market.

Mr. ROGERS. I understand that the bulk of the low-grade product of the Canadian mills comes to the United States even now.

Mr. GAINES. Did I understand you to say that the cost of production was greater in Canada than in the United States?

Mr. ROGERS. Yes, sir. I might qualify that because I do not know all of Canada. I do know certain sections where we are manufacturing.

Mr. GAINES. Where do you manufacture in Canada?

Mr. ROGERS. In the mountain district, in the country like that north of Spokane.

Mr. GAINES. Do you know about the prices farther east?

Mr. ROGERS. No; I do not, excepting what I have been told by others. If you will permit this sort of a statement I will say that I have in process of compilation some figures from a party manufacturing both sides of the line for some distance in the eastern portions of the country, and that the compilation will be filed with the committee with a brief. That will give the figures in writing, and I can put that in at any time it is wanted.

Mr. GAINES. Your own statement you will file also?

Mr. ROGERS. Yes. We have stumpage both sides of the line, and our stumpage in the United States is very much better than it is in Canada.

Mr. DALZELL. About this embargo; how is the embargo made effective?

Mr. ROGERS. The British Columbia government simply says that you can not take the logs across the line.

Mr. DALZELL. Is that done by executive order?

Mr. ROGERS. I think they call that an order in council—that is, the premier and his cabinet can do it if they wish.

Mr. DALZELL. It is not one of the stipulations of sale?

Mr. ROGERS. No, sir.

Mr. DALZELL. But by executive order or order in council?

Mr. ROGERS. Yes, sir. That is not a Dominion affair, but it is purely provincial. The Dominion of Canada can pass any tariff legislation that it likes to control provincial conditions.

Mr. GRIGGS. What is the average difference in price between lumber now and ten years ago, to the ultimate consumer?

Mr. ROGERS. I think the price is about \$10.

Mr. GRIGGS. Ten dollars difference?

Mr. ROGERS. Yes. I can not tell you that positively. I should say in the neighborhood of eight to ten dollars?

Mr. GAINES. On what grades?

Mr. ROGERS. On the average of sales. You can not designate any one grade. A member of the committee might say: "Your No. 4 boards sell at less;" and they undoubtedly do. But you have got

to take the entire product of the log. Ten years ago the manufacturing in Minneapolis—

Mr. FORDNEY. Make it twelve years ago.

Mr. ROGERS. I manufactured twelve years ago. We did not save any box lumber at all outside of No. 4 boards, because we could not sell them. The price of No. 4 boards, and their scarcity, advanced so rapidly that we finally began saving what we called three-man boards; and after that those boards advanced so rapidly and became so good, as considered from the standpoint of the manufacturer, that we took to manufacturing box shooks, sorting out anything 3 inches wide and 12 inches long. Now, then, if the low-grade boards of Canada had cut such a terrible figure, you would, as a manufacturer, have gone to the trouble to save the 3 to 12 inch boards.

Mr. FORDNEY. What did you do with the lower grades?

Mr. ROGERS. Sold them, as far as we could.

Mr. FORDNEY. Twelve years ago, when the price was low, you say that you did not save them?

Mr. ROGERS. Burned them.

Mr. FORDNEY. Under a low price would not that be the tendency again?

Mr. ROGERS. I do not believe it would, because the price of boards has advanced more than the duty?

Mr. FORDNEY. Advanced more than the duty?

Mr. ROGERS. I would like to make an explanation there. I do not believe that any first-class lumberman to-day would go into a bunch of timber and leave the tops because it possessed, in a large part, low-grade boards.

Mr. FORDNEY. We do it now on the Pacific coast.

Mr. ROGERS. Yes; the Pacific coast up to two years ago took 2 by 4 by 8 and burned them.

Mr. FORDNEY. Why?

Mr. ROGERS. I never could understand it.

Mr. FORDNEY. I can tell you why; because it would not be profitable to do anything else with them.

Mr. ROGERS. I am not so sure about that.

Mr. FORDNEY. I am in the business out there and I know.

Mr. ROGERS. So am I.

Mr. GRIGGS. Lumber is higher now than it was two years ago?

Mr. ROGERS. It is lower.

Mr. GRIGGS. How do they use those boards now?

Mr. ROGERS. Those boards never had any trouble to find a market, excepting from 1892 to 1897, when we could not sell anything.

Mr. BOUTELL. If the difference between lumber now and ten years ago is \$10 a thousand, and it is cheaper now than it was two years ago, then at its maximum it must have been much more?

Mr. ROGERS. Two years ago was not its maximum. Last year was the maximum.

Mr. BOUTELL. What was the difference in price of lumber last year from what it was ten or twelve years ago?

Mr. FORDNEY. Pardon me, but will you qualify that question by asking whether it was for the manufacturers' or the consumers' purposes?

Mr. BOUTELL. It is immaterial to me as long as the witness specifies which he is giving. I understand you to say, in answer to a question

by Mr. Griggs, that the difference between the price of board lumber at the present time and the price ten years ago was \$10 a thousand?

Mr. ROGERS. I am not taking the maximum price. That is a maximum price for the last two years.

Mr. GRIGGS. I asked you as to the average.

Mr. ROGERS. That is what I understood. I took the maximum and minimum for ten years.

Mr. BOUTELL. The only point I am trying to get at is this: Even with the ultimate consumer getting the full benefit of a \$2 reduction, we would still be \$8 ahead on account of something besides the tariff over what we were ten or twelve years ago?

Mr. ROGERS. I guess I am rather dense, but I do not quite follow you.

Mr. BOUTELL. I give this simply for the purpose of illustration: If lumber to-day is selling for \$10 a thousand more than it was ten years ago, and we repeal the duty so that the ultimate consumer gets the entire benefit of the reduction of \$2, he would still then be up to \$8 a thousand more than he was ten years ago.

Mr. ROGERS. Unquestionably. That is simple subtraction—two from ten is eight.

Mr. BOUTELL. But the point is this, that some other factors besides the tariff had to do with the raising of the price of lumber, and that the ultimate consumer is not going to get back to where he was twelve years ago by a reduction.

Mr. ROGERS. He never will. The price of lumber will never go down to where it was ten years ago.

Mr. FORDNEY. If the price of lumber on the Pacific coast is \$10 higher than it was twelve years ago, then he must be getting \$20 higher than it was then?

Mr. ROGERS. The price of lumber on the coast I do not believe is \$10 higher. But the coast is not the only factor. There are other localities that you must consider. I think in Minneapolis it is more than \$10 higher.

Mr. FORDNEY. How about the South?

Mr. ROGERS. I am not familiar with the South, and I do not know anything about it.

Mr. FORDNEY. As compared with the whole manufacturing product of lumber in the United States to-day, is Minneapolis only a small portion?

Mr. ROGERS. It does not cut much figure any more.

Mr. FORDNEY. Then that is not a fair statement as to the average?

Mr. ROGERS. Not any more than taking the Pacific coast as an average of the whole thing.

Mr. FORDNEY. A very large quantity is cut on the Pacific coast.

Mr. ROGERS. Not as much as in some other districts.

Mr. FORDNEY. Where, for instance?

Mr. ROGERS. In the South.

Mr. FORDNEY. What is the difference in proportion, Mr. Rogers?

Mr. ROGERS. In the production?

Mr. FORDNEY. Yes; between the Pacific coast and the South.

Mr. ROGERS. I do not know.

Mr. FORDNEY. But you know that it is greater in the South?

Mr. ROGERS. Yes; I believe it is. Don't you?

Mr. FORDNEY. I do not think it is.

Mr. ROGERS. I am not positive. I would not be positive about that, because I do not know. But I am simply judging by running through my mind the manufacturers that I know in the South.

Mr. CLARK. Isn't it true that white-pine lumber is so high that it has driven people to using sycamore, cottonwood, and other soft woods for inside finishings, that ten or fifteen years ago were considered absolutely worthless?

Mr. ROGERS. There is no question about that in my mind.

Mr. CLARK. You state it as your opinion that lumber will never be as cheap again as it was ten years ago. That grows largely out of the fact that the supply is diminishing, does it not?

Mr. ROGERS. That is the reason.

Mr. CLARK. The price of lumber is driving people to use concrete and other substances in place of white pine in the building of dwelling houses?

Mr. ROGERS. That is our experience; get less lumber business each year.

Mr. CLARK. Is there a lumber trust, or is there not?

Mr. ROGERS. I do not believe there is.

Mr. CLARK. How does it happen that these men who manufacture keep the prices up to a certain equilibrium all the time? Is that accidental, or is there a scientific reason for it?

Mr. ROGERS. The manufacturer is here and he will answer that question himself.

Mr. CLARK. If you do not want to answer, all right.

Mr. ROGERS. We are buyers.

Mr. POY. Under which condition do you think the destruction of forests is greater, under high prices or low prices of lumber?

Mr. ROGERS. We are stumpage owners this side of that line. If the price was high we would like to produce that into lumber and get the profit. If our policy would be that of other people, I should say the high price would tend to reduce the amount of available supply. That would reduce the carrying charge on a product when the price gets above a certain point. Then you get your profit if you sell, and you would rather manufacture than carry that investment if you figure that the profits on that investment would be much greater than the profits of manufacture.

Mr. POY. Which condition do you think would stimulate the free owner, high prices or very low prices?

Mr. ROGERS. When lumber gets down, or when any other commodity gets down below the cost or near the cost of production, the natural tendency is to stop production. I should suppose that would apply to manufacturing lumber as well as anything else.

F. B. LYNCH, ST. PAUL, MINN., THINKS THE REMOVAL OF DUTY FROM LUMBER WOULD PROVE GREAT BENEFIT.

FRIDAY, *November 20, 1908.*

Mr. LYNCH. Mr. Chairman and gentlemen of the committee, I am here as an American interested in the upbuilding of the Northwest, where I own large tracts of real estate, as an American interested in the manufacture of lumber in Canada, and as an Ameri-

can who also owns timber in the United States. I believe that the greatest good for the greatest number of people will be helped by the removal of the tariff on lumber coming into this country. Whatever tends to reduce the cost of making homes for our citizens tends to make them better citizens.

I do not think the removal of the duty will reduce the price of lumber which now prevails here. The Canadian manufacturer with his higher cost of production can not sell lumber in the American market to-day any cheaper than the American manufacturer sells it. But if the price of the product should again go up to the point at which it was two years ago and where it was for several years prior to that, a Canadian manufacturer could come into this market and sell his production in competition with the American manufacturer, and greatly to the benefit of the American consumer. It is possible that at the prices which then prevailed he could undersell the American manufacturer.

I am not well enough posted on lumber conditions on this side of the line to give much information concerning the cost of lumber here. I can tell you a good deal of the cost of production, the cost of stumpage, the cost of erecting sawmills and of operating them, and the price of labor on the other side of the line. I am now and have been for several years past one of the principal owners of two of the largest mills in western Canada, namely, the Red Deer Lumber Company, at Barrows, Saskatchewan, in the spruce district, and of the Elk Lumber Company, at Fernie, British Columbia, in what is known as the mountain district in British Columbia. Each of these mills has a capacity of about 35,000,000 feet per annum. Each of these mills, with their planing mills, yards, logging equipment, and other necessary improvements, cost us about \$400,000. This is exclusive of the cost of our standing timber.

I have been told by men who own similar mills on this side that their plants and equipment here cost about \$250,000. The difference in cost is accounted for by the tariff charged by the Canadian government on the American machinery with which our mills are equipped, the high freight rates which we have had to pay on this machinery, the high cost of labor which prevails there, and the lack of efficiency of the Canadian mechanic as compared with the American mechanic.

Our logs at the Red Deer mill, where we are sawing spruce exclusively, cost us at the mill \$7 per thousand. Our stumpage at this mill, together with the royalties paid to the Canadian government, costs us about \$3 per thousand. At the Elk mill, where we saw cedar, fir, and spruce, our logs cost us \$6 per thousand. Our stumpage at this mill, together with the royalties paid to the government, costs us \$1.50 per thousand. Our cost of manufacturing, including the cost of surfacing, piling, loading, selling, insurance, interest, and taxes at each point is about the same, viz, \$5 per thousand.

We employ no oriental labor in any capacity or place. Most of our employees are Americans. All of our highly skilled employees, including our manager and superintendents, learned their trades or business on this side of the line. They went to Canada for us because we were willing to pay them higher wages than they were receiving here. We were willing to pay these wages because these

men were more efficient workmen than we could get on the other side and would do more and better work than the Canadian workmen. They were cheaper for us than Canadian workmen at lower wages, but were no more efficient than the thousands of American workmen employed on this side in American mills, and who, I believe, receive lower wages than we are paying these men.

Mr. LYNCH. I have a statement here showing the average wages paid at the mills of the Elk River Company, at Fernie, British Columbia, and of the Red Deer Lumber Company, at Barrows, Saskatchewan. Perhaps you would not care to have me read this table, and if not, I will pass that and continue my statement.

The CHAIRMAN. Do you mean wages by the day, hour, or how?

Mr. LYNCH. By the day.

The CHAIRMAN. State the number of hours.

Mr. LYNCH. Based upon ten hours a day.

The CHAIRMAN. And how many days in a week?

Mr. LYNCH. Six days in a week.

The CHAIRMAN. No half holidays?

Mr. LYNCH. No half holidays.

The CHAIRMAN. You have not a statement of the wages paid in the American mills, have you?

Mr. LYNCH. I have not; no, sir. I will file this statement.

Mr. GAINES. How long is the statement?

Mr. LYNCH. It is somewhat less than a page.

The CHAIRMAN. I think perhaps you had better read it.

Mr. LYNCH (reads):

Average wages paid at the mills of the Elk Lumber Company, at Fernie, British Columbia, and of the Red Deer Lumber Company, at Barrows, Saskatchewan, for the years 1903 to 1907, inclusive.

	Per day.
Band sawyers	\$7. 50
Gang sawyers	4. 50
Tail sawyers	2. 50 to 3. 00
Edger men	3. 00 to 3. 75
Trimmer men	3. 25
Setters	3. 75
Carriage riders	3. 00
Helpers on trimmer	3. 00
Transfer men and laborers	2. 00 to 2. 60
Band filer	8. 50
Round saw and gang filer	7. 00
Millwrights	4. 00
Engineer	4. 00
Fireman	3. 00
Blacksmith	3. 75
Machinists	3. 75
Boom men	3. 25
Laborers	2. 50
Watchmen	2. 50
Grader	2. 75
Sorters and transfer men	2. 25
Lumber pilers	2. 25 to 2. 75
Laborers in yard and loading cars	2. 25
Oilers in mill and planing mill	2. 75
Planing mill:	
Machine feeders	2. 50 to 3. 50
Helpers	2. 25
Teamsters	2. 50
Carpenters	4. 00

Planing mill—Continued.

Per day.

Helpers	\$2. 50
Manager	^a 4, 000. 00
Mill foreman	^a 1, 500. 00
Yard foreman	^a 1, 500. 00
Bookkeeper	^a 1, 200. 00
Timekeepers and clerks	^b 60. 00 to 85. 00

During the same period the same mills have paid wages to their men in the woods, they doing all of their own work and doing no logging through contractors.

Per day.

Loaders	\$2. 80
Swampers	1. 85
Sawyers	2. 25
Teamsters	2. 35
Railroad men	2. 50
Stable boss	2. 60
Hook men	2. 25
Blacksmith	3. 40
Filer	3. 00
Camp tender	2. 25
Railroad laborers	2. 05
Cook	3. 40
Cookees	2. 25
River men	3. 00
Clerks	3. 00
Foreman	4. 35
Teams without drivers	3. 00

The superintendent receives \$1,600 to \$2,000 per annum.

All men working in the bush are paid so much per month and their board. The figures given above for their day labor is the amount which they would receive per day, figuring twenty-six working days to the month and adding the cost of their board, averaged in nine different camps, to the daily wage paid to them.

The CHAIRMAN. Have you any extra copies of that statement?

Mr. LYNCH. I have none with me, but I can furnish you some.

The CHAIRMAN. If you will kindly let me have the statement, I will have some copies made for use of the members of the committee.

Mr. FORDNEY. How do those wages compare with the wages paid now?

Mr. LYNCH. Those are the same wages that we are paying now. Those are the figures up to July 1, 1908.

I do not think that the wages which we pay are much, if any, higher than those paid by our Canadian competitors. Our scale may be higher in some instances, but it is made up by the increased efficiency of the workmen we employ. I think these wages are higher than those paid by most American plants and are only equaled by a very few of the best inland empire mills.

In the matter of stumpage and its cost on the Canadian side, I would say that it varies greatly, as it does on this side, according to its nearness to market, the facility with which it can be logged, the character of the timber, and the danger of fire. All of the timber in Canada, however, carries a minimum royalty to the government of 50 cents per thousand, board measure (this is equal to about 70 cents per thousand, log scale), and from that up to \$6 per thousand in royalty in some of the eastern provinces. In British Columbia the prevailing royalties are 50 and 60 cents per thousand. To these

^a Per year.^b Per month.

royalties, to find the cost of stumpage, must be added the bonus which is paid to the Dominion government when the license to cut the timber was issued by the government, and which amounts, according to the competition which prevailed when the timber was sold by the government, to from 15 cents to \$2 per thousand. This bonus is paid to the government in cash when the timber is sold, while the royalty is paid to the government when the timber is sawed. We also pay a royalty to the government on all of our by-products, including lath and shingles.

The item of taxes varies in the different Provinces and on different classes of timber, but runs from \$5 per square mile, which is the lowest annual rental on timber in the prairie Provinces, to \$140 per square mile on the heavy timber in British Columbia, west of the Cascade Mountains. This tax or rental is paid annually and is an addition to the local or business taxes which may be paid. Most of our holdings are east of the Cascades, in British Columbia, in the mountain district, where we pay a tax of \$115 per square mile per annum. On the amount of timber which we hold this tax amounts to about 6 cents per thousand per annum. This is treble the tax paid by us on our holdings on this side of the line. The fee of the land does not go with this. That is always retained by the Crown-American owners.

I do not know of any expense item which goes to make up the cost of lumber which is not as heavy or heavier upon the Canadian manufacturer than it is upon the American manufacturer. They are certainly closer to the consumer in the United States than the Canadian mill would be. This would imply lower freight rates and better service for the American mills.

It would appear to me, in view of the foregoing facts, that the American manufacturer will have little fear from the removal of the tariff, unless he raises his prices much above the present level. If his cost of manufacture advances, the cost will also advance to his competitor. If the price of the log on the stump is increased much beyond the present level, the owner of the stumpage will have to compete with the Canadian timber owner, unless he should also advance the price of his stumpage. This, I do not believe he will do. The open competition which would be brought about by the removal of the tariff would not be an evil to the general public.

.. Mr. FORDNEY. You are speaking from a Canadian manufacturer's standpoint, are you not?

Mr. LYNCH. Yes, sir.

Mr. FORDNEY. Your interest in the production of lumber is limited to Canada?

Mr. LYNCH. Almost entirely.

Mr. FORDNEY. Now, I do not know that I ought to ask you this question, but I think I will do so: What is your politics, Republican or Democrat?

Mr. LYNCH. I am a Democrat.

Mr. CRUMPACKER. In relation to these royalties paid or required in Canada, that is upon land owned by the Provinces or Dominion?

Mr. LYNCH. Yes, sir.

Mr. CRUMPACKER. If a private individual owns timber land, or a company, they can ship the product into the United States, or out of the Dominion, without any royalty or special tax, can they not?

Mr. LYNCH. Yes, sir. I would like to qualify that statement, however, by saying that there is less than 1 per cent of timber lands of Canada that is not owned by the Crown.

Mr. CRUMPACKER. You can rent it from the Crown cheaper than you can buy it?

Mr. LYNCH. You can not buy it; you can not buy Crown timber.

Mr. CRUMPACKER. Those royalties, so far as your experience goes, are very low prices for the timber, are they not?

Mr. LYNCH. I thought they were when I went over there, but I am not so sure of it now.

Mr. LONGWORTH. How much did you say it was?

Mr. LYNCH. In British Columbia from 50 to 60 cents a thousand. In some of the eastern Provinces I understand it goes up as high as \$6 per thousand.

Mr. HILL. Sold at auction?

Mr. LYNCH. Sold at auction, sealed bids.

Mr. FORDNEY. No timber on the American side sells at 50 to 60 cents at public auction?

Mr. LYNCH. Mr. Fordney, we were offered the timber that the Northern Pacific Railroad sold to the Weyerhæuser people—I do not say we were offered it, but we put in a bid for it and the Weyerhæuser people got it—and the price of that timber, on the Northern Pacific estimates, was less than 20 cents per thousand.

Mr. FORDNEY. When was that, Mr. Lynch?

Mr. LYNCH. Seven years ago.

Mr. FORDNEY. In what States?

Mr. LYNCH. Washington, Oregon, and Idaho.

Mr. FORDNEY. The Weyerhæuser timber companies purchased in Washington in 1898 and 1899?

Mr. LYNCH. I beg pardon, it was 1901. I was a bidder on the same timber.

Mr. FORDNEY. The big purchase from the Northern Pacific?

Mr. LYNCH. It was in 1900 or 1901. In 1899 we bid on all the land which the Northern Pacific owned in Minnesota. The succeeding spring they sold to the Weyerhæuser people.

Mr. FORDNEY. In December 1899 I applied to the Northern Pacific for the prices on land in Washington, and they informed me that the big sale had been made to the Weyerhæuser people.

Mr. LYNCH. Possibly. It was not publicly announced, Mr. Fordney, until later.

Mr. UNDERWOOD. Mr. Lynch, you are in the lumber business in Minnesota?

Mr. LYNCH. No; in the land business in Minnesota.

Mr. UNDERWOOD. I want to know—and I am glad to talk to a Democrat who is in the lumber business, because unfortunately we do not have many Democrats come before us, but usually the fellow who wants to get something [laughter]—but our party stands for a revenue tariff, and I want to ask you—

The CHAIRMAN. Well, Mr. Underwood, are you asking the witness that? I would like to know what they do stand for.

Mr. UNDERWOOD. I have just announced it to you. The only difference between us is that on the stump the Republican party say that we stand for free trade, and when we come into committee, and they want to give somebody a special privilege, they want to stand

for free trade, and do not want us to stand for a revenue tariff. I want to ask you what effect this proposition you have made would have on the revenue features?

Mr. LYNCH. If the tariff was removed entirely?

Mr. UNDERWOOD. Yes.

Mr. LYNCH. I think it would reduce the revenue to the United States to the amount which is now paid on lumber products.

Mr. UNDERWOOD. On account of the position that the Canadian government has taken on the stumpage question, do you think it is probable that they would put a tax, or embargo, on lumber, so that the revenue would go into their treasury, and we would merely lose the lumber, without getting the advantage in price?

Mr. LYNCH. I do not think it is probable that they would do that, but it is possible that they might, of course. If that should be done, the Executive of the United States should be given power to place a retaliatory duty on Canadian lumber.

Mr. UNDERWOOD. You do not think it would be wise to pass a bill that just provided for free lumber without any control by the Executive under present conditions?

Mr. LYNCH. Do you mean by that reciprocity—a reciprocal arrangement?

Mr. UNDERWOOD. Either reciprocity or a maximum or minimum tariff.

Mr. LYNCH. I think that probably a reciprocal arrangement would be more advantageous.

Mr. UNDERWOOD. You think that would be the safer proposition?

Mr. LYNCH. Yes, sir.

Mr. UNDERWOOD. Now, at what point do you think the duty could be levied on lumber that would produce the greatest revenue to the Government?

Mr. LYNCH. Well, I think possibly at a dollar a thousand, making it a specific duty and not making a higher duty on surfaced lumber than there is on rough lumber.

Mr. UNDERWOOD. You would think that a revenue tariff would be about a dollar a thousand?

Mr. LYNCH. I think so; yes, sir.

Mr. GAINES. Do you advocate a dollar a thousand on lumber products?

Mr. LYNCH. I do not, sir.

Mr. GAINES. What are you advocating?

Mr. LYNCH. I think it should be free trade.

Mr. GAINES. Then you are not the sort of a tariff Democrat that Mr. Underwood is, and now we do not know where you stand.

Mr. CLARK. Well, I judge from the things we hear here that the reference in the Republican platform to the tariff meant that the tariff will go up.

The CHAIRMAN. You have not seen our bill yet.

Mr. CLARK. Well, I have seen the platform, and am listening to these hearings.

What reason is there for the Canadian government devising that double price upon this lumber, so much a square mile rental, and so much royalty on a thousand feet?

Mr. LYNCH. The Canadian government never passes the title to its lands. When it passes a right to cut the timber it always retains

the fee to the land. They charge in lieu of their taxes a rental on that land, which is paid annually, and that is in addition to the bonus which you have to pay the government when you acquire the difference, and also in addition to the royalty which you have to pay when you saw it.

Mr. CLARK. When the American lumberman gets hold of American lands, he gets the fee, does he not?

Mr. LYNCH. He gets the fee.

Mr. CLARK. He has the soil after he cuts the timber off.

Mr. LYNCH. Yes; and in many cases it is much more valuable than the timber.

Mr. CLARK. As a matter of fact this timber land is being skinned off in Minnesota and Wisconsin, and up in that country—Michigan, I suppose, too—and sells after the timber is taken off for about as much as the government price of the original land?

Mr. LYNCH. Mr. Stout, a member of a lumber company in Wisconsin, told me two or three weeks ago that he had several thousand acres of land in Wood County, Wis., that they had logged from—I think he said three times—and the land was now worth \$25 per acre.

Mr. CLARK. How much did he give for it originally?

Mr. LYNCH. He did not say.

Mr. CLARK. What is the reason the Canadian government does not give the fee to this land?

Mr. LYNCH. It is a question of policy of the government.

Mr. CLARK. What is the reason for the policy?

Mr. LYNCH. I am not furnished the reasons for the action of the Canadian government.

Mr. CLARK. You take these pine lands in the northern part of the United States; they are cutting saplings there now that do not produce lumber more than 4 inches, 5 or 6 inches wide, do they not?

Mr. LYNCH. Yes, sir.

Mr. CLARK. And the American forest will not reproduce itself?

Mr. LYNCH. They do if they are taken off slowly.

Mr. CLARK. Suppose you cut off all the pine on the pine land in Wisconsin and Minnesota, clean it clear off, clear it out, would that come up in pine again?

Mr. LYNCH. I do not think it would.

Mr. CLARK. That is my understanding about that.

Mr. Pou. I didn't exactly understand your opening remarks, because I could not hear distinctly. Did I understand you to say that in case this duty were removed it would not affect the price to the users of lumber?

Mr. LYNCH. At present I do not believe it would change the price a particle. It costs just as much to produce lumber in Canada as it does here. I do not think that we could ship anything in here at the present price in competition with the prices that prevail now, without the duty; but I went on to say that if the price should be materially increased, back to where it was in 1896, and for several years preceding that time, the Canadian lumber men could come into this market and sell at a profit without a tariff.

Mr. Pou. Who is going to get the benefit of the removal of the duty?

Mr. LYNCH. If the present prices prevail?

Mr. Pou. Yes.

Mr. LYNCH. I do not think that there would be any benefits.

Mr. POW. Nobody would get any benefit?

Mr. LYNCH. I know that we could not export a stick of lumber to the United States unless possibly some high-grade finished lumber under present prices, and make money.

Mr. GRIGGS. Do you think the repeal of the duty would ultimately reduce the price?

Mr. LYNCH. I think eventually, but not now.

Mr. POW. Under present conditions, you think there would be no material change?

Mr. LYNCH. No, sir.

Mr. CRUMPACKER. Lumber is rather abnormally low now, is it not?

Mr. LYNCH. I think it is a trifle low now, but I think probably some of the gentlemen who will follow me can tell you a great deal more about that than I could.

Mr. CRUMPACKER. You think that putting lumber on the free list would prevent its ordinary increase in price in the future, so that the consumer would be benefited by it?

Mr. LYNCH. I think so.

M. J. SCANLON, MINNEAPOLIS, MINN., APPEARS IN ADVOCACY OF REMOVAL OF DUTY FROM LUMBER.

FRIDAY, *November 20, 1908.*

Mr. Chairman and gentlemen of the Ways and Means Committee, I wish to apologize for appearing here and taking up your valuable time on the question of a revision of the tariff on timber products, and more particularly on the lumber tariff. I appreciate that most of the gentlemen that appear before you on tariff matters do so for the purpose of presenting arguments why the tariff should not be removed or disturbed, and wish to state that my reason for coming here to advocate removal of the tariff on lumber is not a selfish one.

My associates and myself are heavily interested in Canadian stumpage, but we are also large owners of timber in Oregon, Florida, and Louisiana, and are interested in the manufacture of lumber on a large scale at Scanlon, Minn., and longleaf yellow-pine lumber at Kentwood, La., but for every hundred dollars invested in Canadian timber we have more than a thousand invested in timber and mills on this side of the line. If I had any reason to believe that our business would be seriously affected by a removal of the tariff on lumber, I would not be here advocating it. I am of the opinion that the tariff on lumber should be removed, because it is not a protection to American manufacturers of lumber or American labor, except so far as they are owners of stumpage. A large part of the timber of this country is in the hands of individuals and corporations and is held as an investment, and also not purchased with a view to manufacturing it. Such investments have always proven very profitable and will continue to do so, regardless of whether there is a duty on lumber coming into this country or not. I do not consider it equitable and just to afford protection to that form of investments at the expense of the public at large.

In 1894, 1895, 1896, and 1897 it was possible to purchase timber in Minnesota at from \$1 to \$2 per thousand for white and Norway pine. The tamarack, jack pine, and spruce, if there was any on the land, was included in the sale without cost to the purchaser. To-day the minimum price on timber in Minnesota is not less than \$6 per thousand and the maximum \$12 per thousand, depending on the quality and accessibility of it for logging purposes, and there is little to be had at these prices. The jack pine, spruce, and tamarack above mentioned, which were not formerly included in the purchase price, are now paid for at the same rate as the other timber on the land. The same conditions prevail to-day in the pine districts of Michigan and Wisconsin, except that prices of stumpage are higher for especially good bunches of timber.

For a number of years our concern produced from 200,000,000 to 250,000,000 feet of lumber annually in the State of Minnesota. This year our production will be only about 40 per cent of our former cut, and will cease entirely in 1909. In 1896 we commenced the manufacture of lumber in Minneapolis, Minn., and we cut from 40,000,000 to 60,000,000 feet annually at that point. We were forced to discontinue our business in 1905 in that city, because it was impossible to secure logs to stock the mill. The first year we were in business at that point we sold our lumber mill run at \$10.25 per thousand, while six years later, or in 1902, our stock sold, mill run, for \$17.52. This stock was manufactured from a poorer class of logs than we manufactured in 1896. I am credibly informed that mill-run stocks of lumber from a still poorer class of logs netted the manufacturer in that city about \$22 per thousand in the years 1906-7. In 1901 Minneapolis was the largest lumber-producing city in the world, her output for that year being about 700,000,000 feet, while the output for 1908 will only be about 300,000,000 feet.

I mention these facts merely to show you the rapid increase in the value of timber and lumber and the rapid decline of the lumber industry in what is known as "the three white-pine States of the North." The increase in the value of stumpage in the Western and Southern States has been even more marked. In 1908 my people purchased a block of timber in Oregon at a cost of about 17½ cents per thousand. To-day a conservative estimate of the value of that timber would be \$1.75 per thousand. For years billions of feet of timber of equally as good quality and as favorably located for logging purposes in that same district could have been acquired at the same price as we paid for ours. I did not regard that purchase as a particularly attractive one at the time, as we could have taken the same money and done equally as well or better in many other parts of Oregon, Washington, or California. In 1890 I was interested in the purchase of a large tract of cypress timber in Louisiana that cost us less than 40 cents per thousand. Unfortunately for me, I parted with my interests in that timber before it became very valuable, but I am informed by cypress manufacturers in that territory that cypress timber of that quality and accessibility would sell readily at \$6 per thousand or upward. In 1892 I looked at a tract of long-leaf yellow-pine timber in Louisiana that could be acquired at that time for about \$1.25 per acre. My people purchased that same identical tract of timber in 1905 at a cost of \$22 per acre. I understand that a tract of timber adjoining ours, of the same quality and quantity per acre, sold

for \$47.50 per acre within six months of our purchase. I would hardly care to make an estimate of its value now, as all our southern-pine lumber manufacturers are endeavoring to see how close they can come to giving away our stumpage and lumber without getting into the hands of the sheriff.

My experience in the purchasing and ownership of standing timber is about the same as other owners—uniformly profitable except in cases where the owner was unwise enough to build a sawmill to manufacture it without a thorough knowledge of the business. This occasionally has led to disaster. The labor employed in and about the timber industry of this country has not had any protection under the tariff, and it is foolish to contend that it has or will have protection. All you need to do to convince yourselves on this point is to compare the rate of wages paid in Canada, our only competitor, with the rate paid on this side of the line. We are operating one very large sawmill at a small town, in Scanlon, Minn., cutting about 100,000,000 feet per annum. This year we are paying common labor in and about the plant \$1.75 per day of ten hours, in the woods \$1.50 per day, and skilled labor in the same proportion. The same general rate of wages prevails throughout the lumber district of Minnesota, Wisconsin, and Michigan, except in some of the larger towns and cities the rate is as low as \$1.60 per day. In these three States I contend we have the best and most efficient sawmill and woods labor in the world. We are operating two sawmills in the long leaf yellow pine district of Louisiana. At these mills we are paying common labor in the mills and woods \$1.25 per day, and the higher grade workmen in the same proportion. This labor is not so good as that employed at our northern plant, due to the fact that the lumber industry has not been so long established, and on account of the social and climatic conditions.

In the Province of Ontario, Canada, about the same scale of wages prevails as are paid in Michigan, Wisconsin, and Minnesota. In the Provinces of Saskatchewan, Alberta, and in the mountain district of British Columbia, common labor is paid at the rate of \$2.25 per day of ten hours in the sawmills, and \$2.50 per day in the woods, while in the so-called coast district of the Province of British Columbia common labor receives \$2.50 per day in the sawmill and \$3 per day in the woods, and skilled labor is being paid in the same proportion. There is some oriental labor used in the British Columbia mills, ranging in price from \$1.25 to \$1.75 per day, depending on the class of work they perform. Considering the efficiency of this oriental labor, they are more expensive than white, and they would not be employed at all if white labor could be obtained. In fact, the laws of British Columbia prohibit the use of oriental labor in cutting and removing the timber from provincial lands. Wages are so high in Canada that I do not think we have anything to fear on that score.

Canada is a new country that is rapidly developing. The demand for labor in that country for years to come will be greater than the supply, and the difference in wages paid the Canadian and American workmen in the timber industry is likely to be much more to the advantage of men employed in Canadian mills.

I have spent much time and money examining timber lands in the Western and Southern States and in the Provinces of Saskatchewan, Alberta, and British Columbia, and so far as my own observations go and the reports of our men are that the American manufacturer

of lumber has little to fear from the Canadian territory, as the cost of Canadian logs delivered at the mills will always be as great or greater than the cost of logs at the mills of the American operator.

I believe that the removal of the tariff on lumber would conserve the forests of our country. I think it would have a tendency to check the abnormal advances that have occurred of late years, both in timber and lumber. I believe it will broaden the markets for the consumers of lumber and eventually lead to a more uniform, healthy condition of the lumber trade in general in this country.

In 1892 I examined a tract of leaf pine in Louisiana that could be purchased for \$1.25 per acre. That might have been purchased in 1865 at 22 cents per acre, but I think that some has been recently sold at \$47.50 per acre.

It would be somewhat hard to-day to make a statement of the stumpage in the South. Most of the manufacturers are trying to saw lumber so cheaply that it is hard for them to keep out of the hands of the sheriff.

Mr. RANDELL. Where did you say that land was?

Mr. SCANLON. In Louisiana.

Mr. BOUTELL. Would it lower the price to the consumer to reduce or change the tariff?

Mr. SCANLON. I do not think so. It will lower the price in this way, that it will maintain a better average price.

The CHAIRMAN. I notice that you said in the preface to your remarks that you apologized for appearing here when so many were appearing on the other side favoring no change, but that you apologized for asking a change in the tariff.

Mr. SCANLON. Yes, sir.

The CHAIRMAN. I do not wonder that you made that statement if you have read the Minneapolis papers. For instance, I find an editorial in the Minneapolis Tribune which says, "It is hard to get a just tariff revision out of a prejudiced court that hears evidence on one side only." Now, I want to say that the only persons who have been invited to come before the committee, excepting the people in the departments, have been the people of the very class that the editor of the Minneapolis Tribune speaks about. He has a personal letter from the committee asking certain people to appear before the committee and furnish it with any facts bearing upon any schedule if they can show how that schedule should be reduced, and they have also been asked to publish that in their newspapers, so that if they or their subscribers or readers care to they can come before the committee. That general invitation has been sent out and they are the only class who have been invited to appear. The others come voluntarily. The committee invites all gentlemen who believe as you do to bring their facts and state them to the committee. What we want are the facts in regard to these schedules and others that may be proposed to help us in our deliberations. We want the bill to be justified by the facts as to each schedule, and therefore we invite all persons to give us information, and you are as welcome as anybody who is here in defense of this schedule whether you ask an increase or a decrease.

Mr. SCANLON. I understand that very well or I would not have been here.

Mr. CLARK (to the chairman). I want to ask you a question. In making your statement do you refer to the minority?

The CHAIRMAN. I can not speak for the minority.

Mr. CLARK. Well, I can. The minority are as fully anxious to have facts, and are perhaps a little more anxious than are the majority.

Mr. FORDNEY. On account of the high rate of wages and the low prices of lumber which you have quoted, is it not reasonable that Canadian manufacturers are seeking a wider field for their product?

Mr. SCANLON. I presume that is true.

Mr. FORDNEY. That is one reason why they want the tariff removed.

Mr. SCANLON. I presume so.

Mr. FORDNEY. You are the owner of Canadian timber, are you not?

Mr. SCANLON. Yes, sir.

Mr. FORDNEY. And you are also the owner of timber in the Bahama Islands?

Mr. SCANLON. Yes, sir.

Mr. BOUTELL. Have you ever brought any lumber from those islands?

Mr. SCANLON. No, sir; I never have and I never expect to.

Mr. BOUTELL. Where does that lumber go?

Mr. SCANLON. Its natural market is South America and it is sent to the near-by islands.

Mr. POU. I did not know that there was much timber in the Bahama Islands.

Mr. SCANLON. There is not much.

Mr. FORDNEY. Do you know of any lumber trust?

Mr. SCANLON. To my certain knowledge there never has been one. Sometimes I think that the manufacturers need one.

Mr. FORDNEY. Then this is entirely a bugaboo?

Mr. SCANLON. Entirely without foundation.

Mr. CLARK. How do they manage to keep the prices up so successfully?

Mr. SCANLON. I suppose it is just as it is in any other line of merchandising. The cost to the retailer is usually pretty uniform as coming from the manufacturer, providing he has to buy his supplies in one market.

Mr. CLARK. It surely does not cost precisely the same figures to produce lumber in one section of the country that it does in another section, even in the same neighborhood. It does not cost exactly the same to produce lumber in Washington, Idaho, Michigan, Minnesota, or Wisconsin, but how is it that they all line up and charge the same prices?

Mr. SCANLON. I think you are wrong in that. Just before leaving home I sold white pine at 15 cents. I know that when that gets into the hands of retailers it will not be at the same price.

Mr. CLARK. There must be a difference in the cost price in the different localities in Michigan or Minnesota or Wisconsin, to say nothing about the other States, but at last when they get the lumber off on the retailer it is the same price.

Mr. SCANLON. No; I do not think you are quite right there. You are right in this respect, that there is a great variation in the cost in the same localities, because it may cost \$10 a thousand to log it and deliver it to the mills. In another locality it may not cost more than

\$5 a thousand. Lumber is like anything else, the man who produces it the cheapest is the fellow who gets the benefit.

Mr. CLARK. Say that A produces it \$10 cheaper than B, does not A sell the lumber at practically the same price?

Mr. SCANLON. Usually the lumber man knows what his competitor is doing and knows about what the other man's cost of production is, and he acts accordingly.

Mr. CLARK. If one man's cost enables him to barely get a living, then the other man whose cost is cheaper is making enormous and unfair profit, is he not?

Mr. SCANLON. No, sir; because the man who sold the manufacturer the stumpage added it to the price, so that the manufacturer may not be able to sell as cheaply as a man who paid the higher cost of logging.

Mr. CLARK. Do you believe that under any circumstances whatever the price of lumber in years to come is going to materially decrease?

Mr. SCANLON. No, sir; I do not.

Mr. CLARK. Tariff or no tariff?

Mr. SCANLON. Tariff or no tariff.

Mr. CLARK. Mr. Fordney asked you if you did not own large quantities of lumber in Canada and the Bahama Islands.

Mr. SCANLON. Yes, sir.

Mr. CLARK. You own large interests in the United States, do you not?

Mr. SCANLON. Yes, sir; much larger than I do outside in other countries.

Mr. FORDNEY. In answer to the gentleman's inquiry about the uniform price of lumber, is it not true that in various localities, owing to the quality of the soil, one farm will raise 30 bushels to the acre while another farm will raise only half that quantity, but it all sells at the same price?

Mr. SCANLON. Yes, sir.

Mr. FORDNEY. One man raises more owing to better methods of cultivation?

Mr. SCANLON. Yes, sir.

Mr. CRUMPACKER. Prices are fixed by cost of production under the most disadvantageous conditions, where that production is necessary to supply the demand. Is not that a universal rule of economics in fixing prices?

Mr. SCANLON. I do not think so with reference to the lumber business, because I do not think the cost of production is usually taken into account.

Mr. CRUMPACKER. Then you think the economic law of supply and demand does not operate in the lumber business. Where the economic law is in full play prices are fixed by the cost of production under the most disadvantageous conditions where the production is necessary to supply the demand?

Mr. SCANLON. No, sir; I do not think so.

Mr. CRUMPACKER. I think I am necessarily right as to operation of the law of supply and demand in any line of business.

Mr. SCANLON. It may operate in all lines of business except in the selling of lumber, because the cost of production which enters into it is not taken into consideration in the marketing of the product.

Mr. CRUMPACKER. If it is taken into consideration of course there would be more timber lands exploited. The rule is an invariable one that prices are affected by the cost of production in areas that necessarily supply demand where cost of production is highest. That fixes the prices where the law of supply and demand operates, necessarily so.

Mr. SCANLON. I do not agree with you.

Mr. CRUMPACKER. That is a matter of opinion.

Mr. SCANLON. Perhaps so.

Mr. RANDELL. You said something about timber in Louisiana and Texas being owned by a few parties.

Mr. SCANLON. I was speaking in a general way, not particularly about lumber.

Mr. RANDELL. You were speaking of it being owned in Louisiana.

Mr. SCANLON. Yes, sir.

Mr. RANDELL. Any in Texas?

Mr. SCANLON. No, sir.

Mr. RANDELL. Are you acquainted with timber in the eastern and southern part of Texas?

Mr. SCANLON. Yes, sir.

Mr. RANDELL. How would you say that the number of individuals, corporations, or firms engaged in the lumber business in Texas would be as compared to the number seven years ago?

Mr. SCANLON. The number engaged in it and the amount produced is larger than it was seven or eight years ago. At that time lumber was being manufactured by small mills. Those are going out of the business.

Mr. RANDELL. Have they been sold out, run out by competition, or have they been bought by the larger concerns?

Mr. SCANLON. They have been bought up by the larger concerns. They were wasteful in the methods of logging and in the methods of manufacturing.

Mr. RANDELL. Are the lumber interests owned now by a few people?

Mr. SCANLON. No, sir; the lumber business of Louisiana is owned by operating corporations. There is quite a large number of them.

Mr. RANDELL. Formerly the smaller mills owned all the timber, practically?

Mr. SCANLON. Yes, sir; the smaller mills sold because they got more money by selling than they could get by manufacturing, owing to the wasteful methods.

Mr. RANDELL. After that the price of land rose materially?

Mr. SCANLON. Southern pine timber began to advance in the early nineties. It advanced in 1891, 1892, 1893, 1894, 1895, 1896, and up to 1897.

Mr. RANDELL. In 1902 a great many of those smaller mills were bought, and from that time the rise began?

Mr. SCANLON. Yes, sir.

Mr. RANDELL. In southeastern Texas what were the prices nine years ago as compared with the prices now?

Mr. SCANLON. I presume there has been at least 300 per cent increase. Lands that were worth \$7.50 ten years ago are to-day worth \$30.

Mr. RANDELL. It is about 300 per cent increase. I think that is a fair average.

Mr. SCANLON. Yes, sir.

Mr. RANDELL. What would be the effect on the price of lumber in the southeastern and the southwestern parts of the Mississippi Valley if the tariff were taken off?

Mr. SCANLON. I do not believe it would have any effect upon prices down there, because no wood would come in from Mexico to compete in that section.

Mr. RANDELL. Would the effect be to prevent the rise to the extent of the tariff?

Mr. SCANLON. I do not think so. There would not be the abnormal advance there has been heretofore.

Mr. RANDELL. Would not that be the tendency? In other words, if we added \$2 duty there would be less competition?

Mr. SCANLON. Yes, sir.

Mr. RANDELL. Do we get any lumber from Mexico?

Mr. SCANLON. We export lumber to Mexico.

Mr. RANDELL. There is a great amount of timber in Mexico accessible to Texas and the plains of the Southwest?

Mr. SCANLON. It is a rough country, and the labor is exceedingly poor and very cheap.

Mr. RANDELL. Labor is cheap and timber is often cheap and the country is being opened up by railroads?

Mr. SCANLON. Yes, sir.

Mr. RANDELL. That would open up a supply for the Southwest?

Mr. SCANLON. Yes, sir.

Mr. FORDNEY. One gentleman stated a few moments ago that the price of lumber was \$10 a thousand above what it was ten years ago.

Mr. SCANLON. Yes; but I think that gentleman was wrong in his statement. I think that what he intended to say was that lumber at the time of the government report in 1907 was \$10 higher.

Mr. FORDNEY. If that statement is true, there is no reason why Canadian lumber could not come into this country?

Mr. SCANLON. No, sir.

Mr. CLARK. While Mr. Fordney was questioning the witness he asked if it was not true that 60 per cent of that lumber was used in the box business or the packing business, and the witness seemed to agree with him.

Mr. SCANLON. That is not true.

Mr. FORDNEY. I said imported lumber.

Mr. CLARK. I did not understand that.

The CHAIRMAN. Part of the lumber coming here is manufactured into boxes, and they get a drawback on that.

Mr. CLARK. What proportion of the consumption of lumber would this box business take as compared to the general consumption of lumber? It would be a very small percentage, would it not?

Mr. SCANLON. In the United States I think it is estimated that about 25 per cent of all of the lumber goes into the manufacture of boxes.

Mr. FORDNEY. Of all made in this country?

Mr. SCANLON. Yes, sir.

Mr. FORDNEY. How about the imported lumber; do you know?

Mr. SCANLON. I do not think any lumber imported from British Columbia would go into the manufacture of boxes, but there is some that comes from Ontario that does so. It is used in the manufacture

Mr. FORDNEY. Most of the lumber comes into the Pacific coast?

Mr. SCANLON. Yes, sir.

Mr. BOUTELL. I understand, then, from your statement that you think the repeal of the duty would give to the price of lumber a greater stability, but would not result in reduction of the price.

Mr. SCANLON. That is my theory.

Mr. BOUTELL. If we should repeal the duty on lumber, to go into effect on the 1st of July next, a man in my district could not build a six-room cottage any cheaper after that time than he could now, so far as the tariff is concerned.

Mr. SCANLON. No, sir; so far as the tariff is concerned.

Mr. RANDELL. But if it had the effect to bring down the price of lumber might not the man build his house cheaper hereafter?

Mr. SCANLON. Yes, sir.

The CHAIRMAN. If the duty remains, what do you say to whether or not the price will go up?

Mr. SCANLON. We will have abnormal advances in the price of timber and lumber. It is not a healthy condition. It is not a question of ruining the business, but it might ruin the business of the retailer. I remember that in October, 1905, lumber went down \$5 a thousand in five weeks. It left the retailer with a large stock on hand greatly below the prices of 1906. I do not think, however, that that condition will prevail if the tariff be removed.

The CHAIRMAN. Was not that decline of last year due to the panic?

Mr. SCANLON. If prices had not been so high there would not have been any cause for such a drop in the manufactured article.

The CHAIRMAN. Without going into that theory, is it not true that the drop in prices was due to the lessening of the demand in consequence of the stagnation of business?

Mr. SCANLON. Yes, sir.

The CHAIRMAN. There has been a good deal of testimony and argument on that, and I do not think we ought to go into it. You have stated that you have interests on this side and on the other side of the border?

Mr. SCANLON. Yes, sir.

Mr. UNDERWOOD. The yellow pine interests in the South are almost entirely owned and controlled by northern men and northern capital, are they not?

Mr. SCANLON. I do not know about that. I know that northern men and northern capital are heavily interested in southern pine timbers, both in stumpage and in manufacturing.

Mr. UNDERWOOD. Yellow pine timber for outside work in the construction of buildings, that part that comes in contact with the weather, has no competitor, has it? Is it not more valuable for that purpose than any other timber?

Mr. SCANLON. There is a certain species of yellow pine, known as "all-heart pine," which has no competitor.

Mr. UNDERWOOD. Old-field timber is poor and would not stand the weather as all-heart yellow pine would, and, since it has no competitor, would it affect the southern mills if we had free trade?

Mr. SCANLON. I would not say "Yes" on that point because I think to a certain extent it will be.

Mr. UNDERWOOD. Who will compete with them?

Mr. SCANLON. You asked as to the competitor of all-heart timber. Fir might come in as a competitor for that purpose.

Mr. UNDERWOOD. Is that domestic pine?

Mr. SCANLON. That is domestic pine.

Mr. UNDERWOOD. It is cheap in this country, and it would be with free trade?

Mr. SCANLON. Oh, yes.

Mr. UNDERWOOD. So that a reduction of the duty, or free trade, would really not affect the southern lumber interests one way or the other?

Mr. SCANLON. I do not think so.

Mr. UNDERWOOD. The cost of transportation of lumber from Mexico into this country is so great that it would not come into competition with the southern territory, especially not with the southern mills, would it?

Mr. SCANLON. I do not think the cost of transportation will be a factor from Mexico, because the railroads can not compete.

Mr. UNDERWOOD. So that, as a practical proposition, so far as the southern mills are concerned, the only thing in which they are involved is the question of revenue?

Mr. SCANLON. Yes, sir.

Mr. UNDERWOOD. At what point do you think the duty should be fixed in order to produce the greatest revenue to the Government?

Mr. SCANLON. My idea would be to repeal the tariff and put an export duty on every foot of lumber produced in this country.

Mr. BOUTELL. You think you would make more revenue by reducing the tariff than by raising it?

Mr. SCANLON. I think you will, as a revenue producer, lose by reducing it.

Mr. UNDERWOOD. Any reduction will reduce the revenue.

Mr. SCANLON. That is my idea.

Mr. UNDERWOOD. You do not think there will be any more importations than there are now?

Mr. SCANLON. No, sir.

Mr. CLARK. I want to ask you one question. Suppose Congress should adjourn after the consideration of this tariff bill—that is, after the revision is made, whatever it is—and leave the tariff on lumber as it is now; do you not think it would accidentally happen, or some other way, that the price of lumber would be immediately marked up \$2 or \$3 a thousand?

Mr. SCANLON. I think it would have a tendency to advance the price, but it would be due entirely to sentiment.

Mr. CLARK. Due entirely to what?

Mr. SCANLON. Sentiment. That is, it would have a sentimental effect on the market.

Mr. CLARK. No; the real reason would be that these men who own the lumber would know that there was no reasonable prospect of there being a change in the tariff then for a long time to come, and that they could play it just as they pleased. Would not that be the element in it?

Mr. SCANLON. I do not think so, Mr. Clark.

Mr. CLARK. That is what I wanted to ask you.

Mr. HILL. Mr. Scanlon, how long have you been in the lumber business?

Mr. SCANLON. I have been in the lumber business all my life.

Mr. HILL. Were you ever in the lumber business in Michigan?

Mr. SCANLON. No, sir.

Mr. HILL. Or in Wisconsin?

Mr. SCANLON. In Wisconsin and Minnesota.

Mr. HILL. In Wisconsin and Minnesota. How low do you remember uppers having been sold, in your particular experience?

Mr. SCANLON. What do you mean by the term "uppers?"

Mr. HILL. What were technically known as fourths and selects.

Mr. SCANLON. We do not have them that way in our market.

Mr. HILL. I know you do not, but you did when you were in Wisconsin, did you not?

Mr. SCANLON. I never was engaged in the manufacture of lumber in Wisconsin.

Mr. HILL. I beg your pardon; I thought you were. You were manufacturing in Minnesota?

Mr. SCANLON. Yes, sir; I was manufacturing in Minnesota.

Mr. HILL. What part of the production of your logs, what percentage of it, turns out fine upper grades of lumber?

Mr. SCANLON. A very small percentage.

Mr. HILL. Is it more than than 3 per cent?

Mr. SCANLON. Rather more than that; yes, sir. I would place it somewhere in the neighborhood of 5 per cent. I have those figures here, exactly.

Mr. HILL. Is it not a fact that the Canadian product of lumber, the shipment that comes to the United States, is largely the log run? Are not the Canadian shipments now into the United States largely the log run, everything above the mill cull?

Mr. SCANLON. No, sir; I think you are mistaken in that. It is what is termed "low-grade lumber" from the eastern district. In the western district it is largely the opposite, a high-grade lumber, and the culls find a market at home.

Mr. HILL. Do you ship any southern lumber into Canada, Georgia pine and North Carolina pine?

Mr. SCANLON. No, sir; we are manufacturing in the long-leaf district of Louisiana, and are selling considerable lumber in eastern Canada—Montreal and Ottawa.

Mr. HILL. What is the average price now of yellow-pine flooring; narrow, first-class, clear flooring?

Mr. SCANLON. We only have one market for that class of lumber, and that is in the New England States, and it is usually sold in that territory in a wholesale way at \$50 a thousand.

Mr. HILL. How long have you been manufacturing in Louisiana?

Mr. SCANLON. There is so little of that grade of lumber sold that the price has practically remained stationary.

Mr. HILL. All right.

Mr. FORDNEY. Do you sell in the Canadian market the same grades of lumber cheaper than you do in the markets in the United States?

Mr. SCANLON. No, sir.

Mr. FORDNEY. You are not the witness that Mr. Knappen was going to produce to prove that American lumber was being sold cheaper in Canada than in the United States?

Mr. SCANLON. No, sir.

Mr. CLARK. I will ask you another question about these Canada leases. I want to ask what they put this square-mile charge on for? Is it not true that they prohibit all cutting of trees less than 10 inches in diameter?

Mr. SCANLON. I am positive that the reason why British Columbia markets its lumber in that way is to conserve the forests of the country in that way, by directing the timber that shall be cut and removed from those lands.

Mr. CLARK. They have a rule that you shall not cut a tree less than 10 inches in diameter?

Mr. SCANLON. Yes.

Mr. CLARK. And they employ their own forester, or whatever they call him, to see that that provision is enforced?

Mr. SCANLON. Yes, sir.

Mr. CLARK. That being the case, it really gives the man who buys the American timber lands the advantage over the man that operates these leased lands in Canada, to the extent that the American can cut the whole thing off and have his land left?

Mr. SCANLON. That is, where he is operating on his own lands; except that he can not do it on forest-reserve lands in this country.

Mr. FORDNEY. The lands on which such timber is sold in Canada are subject to homestead entry at any time, are they not? So far as Ontario is concerned, I know that is so.

Mr. SCANLON. I do not think that is true of British Columbia.

Mr. FORDNEY. It is true in Ontario.

Mr. SCANLON. I think the disposition of the British Government in this country is to treat the owner of the timber license fairly, and I think if there was a market or demand for that land for agricultural purposes, a man would be given a reasonable time within which to cut and remove the timber.

Mr. FORDNEY. In Ontario land is subject to homestead entry, and the farmer, the homesteader, is permitted to cut and clear the timber from the land he wishes to put under a state of cultivation.

Mr. SCANLON. Yes, sir.

Mr. FORDNEY. I did not know what it was in British Colombia territory.

A. E. GILBERT, OF DULUTH, MINN., FAVORS FREE INTERCHANGE OF FOREST PRODUCTS WITH CANADA.

FRIDAY, November 20, 1908.

Mr. GILBERT. Mr. Chairman and gentlemen of the committee, I represent the Red Cliff Lumber Company, of Duluth, Minn., and Red Cliff, Wis. We own timber in Minnesota and Wisconsin, and also on the Pacific coast in British Columbia. I may say that our timber land in British Columbia is not licensed; it is owned in fee. We own and operate sawmills at Duluth, Minn., and at Red Cliff, Wis., where we are government contractors, cutting the Red Cliff Indian Reservation. Besides, we buy and sell lumber at Duluth, doing a jobbing business also.

I am in favor of the free and unrestricted interchange of forest products with the Dominion of Canada. I have seen the price of

pine timber increase from 50 cents a thousand to \$12 a thousand in Minnesota in twenty years. Some years ago we got to a point where we could not buy any logs, or enough to run our mills. The last two years we have not been able to buy any timber, and in another year we will only be able to buy timber from two or three concerns, if at all, to keep our jobbing business going, and we will have to go out of business. I have seen mills on Lake Huron, in Michigan, have to shut down and go out of business on account of the embargo placed on logs by Canada, due to our tariff. These mills were not helped by the tariff; quite the contrary. Not being able to carry large reserves of timber, on account of their lack of capital, and not being able to get any raw material from Canada, due to the embargo on logs, the retaliation of Canada on account of our tariff, these mills had to close down, dismantle, and go out of business; and this same thing will happen on the Pacific coast, where syndicates and large companies have bought up large areas of timber land, and the mill men there who are not able to buy and carry large timber reserves and buy their logs and hope to for years to come, will be disappointed and find that they will have to go out of business just as many of the mills in eastern Michigan had to do, unless our duty on lumber is taken off in a way which will bring along with it the taking off of the embargo on logs, so that these smaller mills can get their raw material from Canada at reasonable prices.

Mr. FORDNEY. Mr. Gilbert, you say you are manufacturing in Minnesota and will have to go out of business in a short time for the lack of timber?

Mr. GILBERT. I said our jobbing business would.

Mr. FORDNEY. How about your manufacturing?

Mr. GILBERT. We have timber. We have twice as much capital invested in this country as we have on the coast.

Mr. FORDNEY. How long will your standing timber last you, with your capacity?

Mr. GILBERT. All of ten years.

Mr. FORDNEY. When you go out of business you would like to go into business where your timber is in Canada, would you not?

Mr. GILBERT. Yes; or in this country where we can bring our logs into this country.

Mr. FORDNEY. Do you believe if we remove the duty on lumber Canada will remove her embargo on logs?

Mr. GILBERT. I hope she will. She did not have an embargo before we had a duty.

Mr. FORDNEY. Oh, yes; she did.

Mr. GILBERT. Did she?

Mr. FORDNEY. Yes; we have always had a duty on Canadian lumber.

Mr. GILBERT. But there was no embargo on logs. They did not stop the logs going out. The logs were taken to Saginaw and Bay City.

Mr. FORDNEY. When the duty was placed on the lumber by the Dingley bill, then is when the embargo was put on logs.

Mr. GILBERT. Yes; that is what I mean.

Mr. FORDNEY. Because Canada wanted Canadian labor and Canadian manufacturers to have the benefit of the manufacturing in Canada; is not that true?

Mr. GILBERT. Yes, sir.

The CHAIRMAN. Canada putting an embargo upon logs would depend altogether upon the construction of the tariff. It could be arranged so that it would be an altogether too expensive experiment for her by putting a higher tariff on.

Mr. GILBERT. Yes, sir.

The CHAIRMAN. Or by putting a maximum tariff on logs?

Mr. GILBERT. Yes.

Mr. GAINES. I believe that the Canadian government sells its stumpage to the highest bidder; is that correct?

Mr. GILBERT. The vast majority of it; yes, sir.

Mr. GAINES. Is the timber land that you have reference to in Canada mainly owned by the government?

Mr. GILBERT. Yes, sir.

Mr. GAINES. If Canadian manufactured lumber was admitted free of duty in this country it would increase the demand for the Canadian stumpage, would it not?

Mr. GILBERT. I think it would; yes, sir.

Mr. GAINES. Therefore when the purchasers went to bid for Canadian timber they would pay higher prices, would they not?

Mr. GILBERT. Necessarily some; yes, sir.

Mr. GAINES. So that all of the benefit would not go to the consumer in America, but a large portion of it would go to the Canadian government for the land?

Mr. GILBERT. No, sir.

Mr. GAINES. What is your answer to that?

Mr. GILBERT. No, sir; I do not agree with you. I think the mill man in America would still have the chance to buy some raw material, which he has not had in this country, and in years he will not have if that embargo still stays on.

Mr. GAINES. But you have already stated that the removal of the duty would increase the competition by Canadian timber; it would put up the price of Canadian timber, would it not?

Mr. GILBERT. To some degree; how much I could not say.

Mr. GAINES. And to the extent that the removal of our duty increased the price of the Canadian government's stumpage, the Canadian government's stumpage would get the benefit of the duty and not the ultimate consumer, if I may borrow that term?

Mr. GILBERT. I think the price of Canadian stumpage is fixed by statute. It is a certain amount in each province, and they may charge a ground rent.

Mr. GAINES. You said it was submitted to competition and sold to the highest bidder. Now, was that correct, or is it fixed by statute, a fixed amount?

Mr. GILBERT. I think it is both.

Mr. DALZELL. The minimum is fixed by statute.

Mr. GILBERT. Yes, sir. I think it has been on a tariff where they have paid bonuses, and those bonuses largely accrued to speculators.

Mr. FORDNEY. There is no minimum fixed on Canadian timber that is sold at public auction, except the Crown land dues?

Mr. GILBERT. No; the crown land dues are a rent, as I understand it.

Mr. FORDNEY. There is no minimum fixed on stumpage except the crown land dues?

Mr. GILBERT. No; it is fixed when you cut your timber.

Mr. FORDNEY. That is the crown land dues?

Mr. GILBERT. Then there is a rent on top of that.

Mr. FORDNEY. I am talking now about the stumpage.

Mr. GILBERT. Yes.

Mr. FORDNEY. When you buy timber in Ontario at public auction, you buy it subject to the payment of certain crown land dues, when the timber is cut?

Mr. GILBERT. Yes.

Mr. FORDNEY. A dollar or \$1.25, or whatever the case may be?

Mr. GILBERT. Yes.

Mr. FORDNEY. And there is no other minimum but that?

Mr. GILBERT. They have had to pay premiums to get that timber.

Mr. FORDNEY. Yes; but I am talking about a statutory fixed value.

Mr. GILBERT. No, sir; there is none.

Mr. FORDNEY. There is none?

Mr. GILBERT. No, sir; not that I know of.

Mr. BOUTELL. The other witnesses on this schedule testified that in their opinion the repeal of the lumber duty would not immediately affect the price of lumber to the retail dealer.

Mr. GILBERT. I do not think it will. I do not think it makes any difference.

Mr. BOUTELL. They further stated that it would give stability and steadiness to the price.

Mr. GILBERT. I agree with that.

Mr. BOUTELL. And that, in the third place, it would produce as much rise in the price of lumber in the future as would take place if the tariff had not been repealed?

Mr. GILBERT. I think so; yes, sir.

Mr. BOUTELL. What would you say, in the fourth place, as to the prospects of an increase in the future with the tariff repealed, though not as great as it would have been with the tariff?

Mr. GILBERT. I think it would be more a condition of that embargo on logs being taken off.

Mr. BOUTELL. So that there is not very much sunlight ahead for my ultimate consumer of lumber, even with the repeal of the tariff, in the steadiness of the price?

Mr. GILBERT. There is if we couple with that repeal of the tariff that small mills can get material elsewhere, raw material, the same as a gristmill does.

Mr. FORDNEY. Do you think there is any prospect of the Canadian government ever taking off that embargo?

Mr. GILBERT. That I could not say; but if the duty was taken off, it should be taken off with that condition.

Mr. CRUMPACKER. The standing timber in this country is owned largely by large lumber corporations now, is it not?

Mr. GILBERT. Yes, sir.

Mr. CRUMPACKER. And the Canadian government refuses to sell the fee, but sells the timber to the highest bidder for the purpose of preventing big corporations in Canada and America from going over and buying and owning and monopolizing the standing timber? That is the policy, is it not?

Mr. GILBERT. No, sir; I do not think so; because you can buy any amount of it you wish, but you can not get the land.

Mr. CRUMPACKER. But you can not buy for speculation?

Mr. GILBERT. Yes; they do.

Mr. CRUMPACKER. You have to pay an annual rental?

Mr. GILBERT. Yes; but those leases are transferable. Those leases are bought and sold on the market every day.

Mr. CRUMPACKER. Yes; but a man can not buy Canada timber land? You can not get the fee title?

Mr. GILBERT. No; he pays an annual rental.

Mr. CRUMPACKER. He is charged up with an annual rental, anyway.

Mr. GILBERT. Yes.

Mr. CRUMPACKER. So that speculators can not invest profitably in Canadian timber, for the purpose of holding it for a future rise in value?

Mr. GILBERT. I do not agree with you. They do.

Mr. CRUMPACKER. They do?

Mr. GILBERT. Yes; it is being done every day, with great profit. All they do is to take chances that they can get rid of it before that lease time runs out.

Mr. CRUMPACKER. If the tariff was taken off, the small dealer would have an additional market. He would not have to go to these big lumber corporations in America who now have almost a monopoly of the standing timber, but he could go to Canada for his supply, could he not?

Mr. GILBERT. Yes; provided this embargo was taken off; or in other words, he could go to the small mill men who buy supplies in Canada.

The CHAIRMAN. Do you know of any monopoly in the United States?

Mr. GILBERT. No, sir; I do not think there is any such thing.

Mr. CRUMPACKER. Is it not true that in Ontario the government sells an option on the land and gives a license to cut to the following May of each year, and will extend that license from year to year upon the payment of the \$3 a square mile tax.

Mr. GILBERT. I am not so familiar with terms in Ontario.

Mr. CRUMPACKER. But there is nothing to prevent, in Canada, a concern or a corporation or a set of individuals from buying all the timber in Canada?

Mr. GILBERT. Yes; they can, as I said.

Mr. CRUMPACKER. And they can hold it for an indefinite time?

Mr. GILBERT. Yes, sir.

Mr. CRUMPACKER. Well, under the law of Ontario, by paying the annual tax a license is extended to the first of the following May, each year.

Mr. GILBERT. I am not familiar with the law of Ontario.

Mr. CRUMPACKER. That is the law of Ontario.

Mr. GILBERT. If you say so, of course I presume you are right.

J. B. WHITE, OF KANSAS CITY, MO., CLAIMS THAT THE LUMBER INDUSTRY NEEDS CONTINUED PROTECTION.

FRIDAY, *November 20, 1908.*

Mr. WHITE. Mr. Chairman and members of the Ways and Means Committee, I am a manufacturer from Missouri and Louisiana. For twenty-five years I have been in Missouri; fifteen years previous to

that I was a manufacturer in Pennsylvania. If I was a better lawyer I do not know but I should demur to the evidence already in, and let the case go to the jury, but I would be very glad if you gentlemen were a tariff commission that had the power to listen to the arguments that come in from time to time, and recommend, and had power to act; but I have faith that this committee will hear impartially and render a just recommendation.

I have listened to a great deal that has been said on this side, and I think it likely that I can offer some explanations to make the situation clearer in some respects. I have personally always been in favor of protection that protects both capital and labor, both American industries and American labor, and that protects the American industries because it protects American labor, and I would not favor any reciprocity or trading of tariff schedules between ourselves and any other nation unless this country received a fair deal in behalf of these farmers and these laborers. I believe it is fair to ask that in the consideration of a reduction of tariff we should also ask that we be placed upon equal conditions with the nation that we are to compete with. If that is done, I think there would be less objection to a reduction of the tariff as it now stands. I believe that those who favor free trade are honest in their views, and that those who believe in a tariff for revenue only have some way of figuring within their own minds a national gain as a whole, as a result of letting foreign competition in upon us.

The CHAIRMAN. What do you think of those who believe in all three, in spots?

Mr. WHITE. Well, then, I think they are to be excused because of local conditions. I know that in Missouri we had a United States Senator who was that way. He always voted for a tariff on lead.

Mr. CLARK. And he got in all sorts of hot water, too, did he not?

Mr. WHITE. Yes; but he died regretted.

Mr. CLARK. Yes; I know he did die regretted, but he did not die regretted on account of that part of it.

Mr. WHITE. Yes; but it showed that he had sympathy with his people.

Mr. CLARK. He had sympathy for about one-thousandth per cent of his constituents when he voted that way.

Mr. WHITE. That is, of course, from a view point.

Mr. CLARK. Yes; I know it is.

Mr. WHITE. Now, the American manufacturer pays more for what enters into his cost than does his Canadian competitor, as indicated by the following duties:

Band saws, 10 cents a pound and 20 per cent ad valorem; circular saws, 25 per cent; crosscut saws, 6 cents a foot; axes and other tools, 45 per cent; railroad rail, \$7 a ton; band iron for shingles and iron ties for hard-wood flooring, one-half cent per pound; leather belting 35 per cent; sisal lath yarn, 45 per cent; hemp rope, 45 per cent; wire, 14 cents per pound (when made into cable an additional duty of 1 cent); mules and horses, \$30 a head; mules and horses, valued over \$150, 25 per cent ad valorem; wheat flour, 25 per cent; wheat, 25 cents a bushel; potatoes, 25 cents a bushel; corn, 15 cents a bushel; barley, 30 cents a bushel; meats, all kinds, canned or preserved, 25 per cent; fresh beef, mutton, or pork, 2 cents a pound; locomotives

and parts, 35 per cent; cars, 45 per cent; wheels for cars, 1½ cents a pound; wrought-iron pipe for dry kilns, 35 per cent.

Now, that is a big item which enters into the cost of a plant.

Mr. CRUMPACKER. Is it your theory that the American consumer pays the tariff—the tax?

Mr. WHITE. I do not know how much of it he pays, but I am satisfied that it would not be there if it was not intended that he should pay a part of it.

Mr. CRUMPACKER. Yes. Then the consumer of lumber, of course—

Mr. WHITE. You mean the consumer to pay the tax?

Mr. CRUMPACKER. Yes; the American consumer. I understand that is the argument you are making now?

Mr. WHITE. No; I thought you meant the manufacturer.

Mr. CRUMPACKER. The consumer pays the tariff, pays the tax; that is the argument you are making now, I understand.

Mr. WHITE. I mean that he has to pay a portion of this tax. I do not know how much of it; I do not know how much of it really applies. I do not suppose that wheat is exactly 25 cents a bushel higher because of that tariff. I do not suppose that perhaps locomotives are exactly 35 per cent higher because of that tariff. But I do know that it has an effect, and I do know that if we have to compete we will have to add this expense, a goodly portion of it, to the price of our lumber products. It enters into the cost, and of course we will have to add it to the price.

Mr. CRUMPACKER. So that for the same reason the tariff on lumber makes the lumber correspondingly higher to the consumer in the country?

Mr. WHITE. It would seem to make it correspondingly higher, or make the stumpage less; but my friends on the other side have been arguing that it does not make any difference; if we have free trade lumber is going to be kept up just the same. This is rather an anomalous situation.

Mr. CLARK. Leave those arguments out and let me ask you one question. That was not carried to the legitimate conclusion. You are arguing, evidently, or you would not have been citing these figures, that the tariff on these articles you name makes the expense of making lumber higher. Now, what I want to ask you is, if that is true, as you are intending to make the impression that it is true?

Mr. WHITE. Yes.

Mr. CLARK. Then, when you clap this \$2 tax on top of the lumber, the fellow that uses the lumber pays what you paid and then \$2 extra; that is right?

Mr. WHITE. Then I am in favor, if you take off the \$2 tax, of taking off the entire tariff on everything that enters into the lumber.

Mr. CLARK. Certainly; you are just where I am. There is not a particle of difference, if that is your position, between your position and mine.

Mr. WHITE. If it is a matter of free trade, then we stand together; we will either all go down together or go up together.

Mr. CLARK. Now, nobody is talking about free trade and nobody is contemplating free trade. The difference in theories is that on one side the main idea is protection and on the other side the main idea is revenue. I want to ask you one more question. I do not want to interrupt you at all. Do you not know that every time you put a tariff

on an article, no difference whether the intention of the man that puts it on is to get revenue out of it or to get protection out of it, the result is double, unless it is prohibitive, and that you get revenue and that you get protection, whether you wanted to get it or not? Is not that true?

Mr. WHITE. Now, I am in favor of protection, personally.

Mr. CLARK. I am not asking you what you are in favor of or what I am in favor of. Is not that the net result of the whole performance? Say, for instance, I am a tariff-for-revenue man.

Mr. WHITE. Yes.

Mr. CLARK. I am willing to put a tariff of 25 per cent on something or other.

Mr. WHITE. Yes.

Mr. CLARK. You are a protectionist in theory, and you want to put a tariff of 25 per cent on there for protection?

Mr. WHITE. Yes.

Mr. CLARK. When you get your 25 per cent on and I get my 25 per cent on they have a double result, do they not?

Mr. WHITE. Yes.

Mr. CLARK. Unless it is prohibitive?

Mr. WHITE. Yes; unless it is prohibitive. We get the benefit of the tariff and we get the benefit of the revenue. For instance, take the lumber that comes in now from Canada. I think it amounted in duties last year to something like \$3,000,000. That is a protection of \$2, and we get \$3,000,000 in revenue in addition to that protection.

Mr. CLARK. Suppose we cut the tariff down to \$1. In your judgment would the Government get more total revenue out of the lumber business than it is getting now?

Mr. WHITE. Well, it might not get any more; it would depend altogether upon conditions—upon the local conditions of the local markets.

Mr. CLARK. There would not enough lumber come in to disturb you people in holding the market level, would there?

Mr. WHITE. We are not making any money now.

Mr. CLARK. How does it happen that there are so many multi-millionaires in the lumber business then?

Mr. WHITE. They did not make it manufacturing lumber.

Mr. CLARK. What did they make it at? I would like to find out.

Mr. WHITE. With all due respect, I would like to put you on. [Laughter.] I can cite my own experience. I began manufacturing lumber when I was 21 years old, and I have been manufacturing it ever since, and I have not made any millions. Those who have made money in the lumber business, I think, have made it on stumpage. The man who bought his lumber, who bought his stumpage, to manufacture to-day, did not make anything but a reasonable profit. If you expect to make some money in manufacturing lumber, you will have a good opportunity now, because you can buy your stumpage and anybody can start right in; but you will not make any great amount of money—you will not make any. Under present conditions you would not make any. But if you buy more than you need for to-day, and you buy enough to last you for fifteen years, you will go along and make a little money off of your commissary and a little money off of your blacksmith shop, and you will live; and the last ten years your timber will advance, possibly, so that you will get out with a

good big fortune. It is on the stumpage it has been made; it is on the natural rise.

Mr. HILL. Then the conclusion is that the entire protection is to the owner of the stumpage?

Mr. WHITE. It is to the stumpage and also to the manufacturer. If I am manufacturing lumber I have got to compete. I have got to sell my stumpage. I am buying my stumpage of you gentlemen, and then I have got to sell it to compete with Canada.

Mr. CLARK. Right in connection with that, do you know of any set of men in the United States who are less in need of protection than these people that are dealing in stumpage?

Mr. WHITE. Well, I think that if they go to manufacturing lumber at the present prices of stumpage, they need protection, considering the market.

Mr. CLARK. The very moment they go to manufacturing they get into another business?

Mr. WHITE. Yes; that is right.

Mr. CLARK. Now, Brother Hill's question was, whether really the beneficiaries of this tariff of \$2 were not the stumpage men. You said yes, largely.

Mr. WHITE. Yes.

Mr. CLARK. I ask you the question if they do not need protection less than nearly anybody else in America.

Mr. WHITE. I have to pay pretty high for stumpage. I will admit that I would like to get it lower.

Mr. CLARK. Why, certainly you would.

Mr. WHITE. I would. If there was some way of getting it lower, and then I could sell my product a little higher, I would be very glad to do it.

Mr. CLARK. But if you could get it lower you would be perfectly willing to sell your product a little lower?

Mr. WHITE. I would want everything else lower. I would want the entire cost of production lower.

Mr. CLARK. You are like everybody else; you want everything you can get.

Mr. WHITE. Certainly; and then I would want equal conditions with my competitors.

Mr. CLARK. Let us suppose a case. I do not think it is going to happen at all, but suppose that the committee and Congress—we simply advise Congress—should cut down the tariff one-half on every one of these articles you use in the manufacture of lumber, could you not afford to put down the price of lumber a little?

Mr. WHITE. I could not, a bit. I do not think so, because I will tell you that last year, in 1907, which was the most prosperous year we have had, yellow-pine lumber averaged \$14.02 a thousand. Last May I had a fire at one of the mills I am interested in in Louisiana, and it burned up 6,000,000 feet of lumber, a large amount of it upper grades that was in the shed, and burned up some of my lower grades, and we sent for the insurance adjusters. The insurance adjusters, three of them, came down there and they said, "Mr. White, we want to settle with you. What is the cost of this lumber? Now, what is the cost? Figure it up. What did your stumpage cost you, and what did it cost to manufacture? We are going to settle upon the cost." I said, "No; I thought you were going to settle upon the market price.

As a matter of principle, I am going to insist that you settle on the market price, but I believe that if you pay me cost there will not be very much difference." We sat down and figured it out both ways, and the insurance adjusters paid us for our loss, and there was only a few dollars difference between the cost and the market price last May.

Mr. CLARK. You could outfigure them.

Mr. WHITE. A man that can outfigure an insurance man is a good one.

Mr. CLARK. I know he is. That is true.

The CHAIRMAN. How much was the drop in price of that lumber?

Mr. WHITE. The drop, I think, has been about \$4 a thousand—it had dropped down clear to cost.

The CHAIRMAN. What was the price before the drop?

Mr. WHITE. Why, I think that we got at one time last summer about \$16. The uppers dropped about \$4, and I think that the lower grades dropped something like \$3. At any rate, with our kind of lumber that runs, say, 20 per cent uppers or 25 per cent uppers, the actual cost of the lumber was about \$13, and they paid us \$13 on our loss, and the market was about \$13, or a few cents over.

The CHAIRMAN. You say you made money in 1907.

Mr. WHITE. Nineteen hundred and seven was a good year.

The CHAIRMAN. And you had previous to that, how many years, made money?

Mr. WHITE. Lumber began to go up a little in 1897, and we had about ten years of very prosperous times. I think that the Dingley tariff bill went into effect in July, 1897.

The CHAIRMAN. And since 1907 there has been a general disturbance of business and a poor market?

Mr. WHITE. Yes; that is right.

The CHAIRMAN. People did not build, and could not build?

Mr. WHITE. Yes.

The CHAIRMAN. Lumber was a glut in the market?

Mr. WHITE. Yes.

The CHAIRMAN. It went down below the normal price?

Mr. WHITE. Yes.

The CHAIRMAN. That is all.

Mr. FORDNEY. The gentleman from Missouri asked you a little while ago if the tariff on lumber was cut in two what would be the result. There would be one of two things happen if the tariff or duty on lumber was cut in two; it would either seriously interfere with the revenues of the Government, or it would increase imports, would it not?

Mr. WHITE. Certainly.

Mr. FORDNEY. Neither of which is desirable in the United States?

Mr. WHITE. That is right.

Mr. FORDNEY. You spoke of the high rate of duty which you pay on articles that you use that go into the production of lumber.

Mr. WHITE. Yes.

Mr. FORDNEY. What is the rate of protection, ad valorem, on your product compared with those things that you purchase?

Mr. WHITE. About 11 per cent, as against 40 per cent.

Mr. FORDNEY. I will give you the figures here, and I would like to have this go in the record.

Mr. WHITE. Yes.

Mr. FORDNEY. The government reports for the last five years show on imported lumber the rate is 13.02 cents protection, based on the value of the lumber when imported.

Mr. WHITE. I did not know about that.

Mr. FORDNEY. Do you know of any other product in the United States that has as little protection as lumber?

Mr. WHITE. I do not, sir.

Mr. FORDNEY. Or any product which has anywhere near as small protection?

Mr. WHITE. No, sir.

The CHAIRMAN. Do you know of any that needs as little?

Mr. WHITE. I really think that the lumber manufacturer as a manufacturer has made less money than the manufacturer in the United States of almost any other article.

The CHAIRMAN. You spoke about the tariff on machinery that you use to make lumber in this country.

Mr. WHITE. Yes.

The CHAIRMAN. The Canadian manufacturer buys the same machinery from this country, does he not?

Mr. WHITE. Not always, I think.

The CHAIRMAN. As a general rule?

Mr. WHITE. I think that he buys the best machinery, and he gets it here, some of it, of course.

The CHAIRMAN. He buys it generally from this country, does he not?

Mr. WHITE. I expect he buys his sawmills from this country.

The CHAIRMAN. What is that?

Mr. WHITE. His sawmills, I think, he buys from this country.

The CHAIRMAN. And he has to pay the tariff on that machinery to get it into Canada?

Mr. WHITE. Yes.

The CHAIRMAN. Do you know what per cent?

Mr. WHITE. I do not know what the per cent is.

The CHAIRMAN. He is not as well off in that respect as you are, is he?

Mr. WHITE. He is better off on the entire material that goes into the manufacture, the permanent manufacture.

The CHAIRMAN. Take sawmills. We will not go beyond that item on this question.

Mr. WHITE. In regard to the sawmill, I think that if the tariff was off he would get his raw material in Canada, of course he can get that in cheaper. But we have the skilled labor on this side, and I expect he would buy his mills here.

The CHAIRMAN. I do not know why, but I do not seem to make myself understood.

Mr. WHITE. Well, I beg your pardon.

The CHAIRMAN. You buy your sawmills in this country to manufacture here?

Mr. WHITE. Yes.

The CHAIRMAN. The Canadian buys his sawmills in this country and imports them into Canada?

Mr. WHITE. Yes.

The CHAIRMAN. And pays the duty on them?

Mr. WHITE. I do not know how much duty.

The CHAIRMAN. Well, he pays the duty, whatever it is?

Mr. WHITE. I expect so.

The CHAIRMAN. If he pays the duty, he is so much worse off than you are, as far as the sawmill case is concerned?

Mr. WHITE. Yes; I see. That is right.

Mr. FORDNEY. Do you know of any agricultural product the producer of which has as little protection to-day as the manufacturer of lumber has on his product?

Mr. WHITE. I do not, sir.

Mr. POU. Do you know whether the Canadian pays more or less than you do for the same things that you buy for manufacturing your product?

Mr. WHITE. I do not. The statistics are here, and I think they will be shown by others.

Mr. POU. On that proposition you can not answer?

Mr. WHITE. No, sir; I have never operated in Canada. I have confined my operations to American timber.

Mr. POU. I am not speaking of timber. You enumerated a lot of things there that you say you have to pay a tariff on.

Mr. WHITE. Yes, sir; that is right.

Mr. POU. Take the sawmills and sawmill supplies and machinery.

Mr. WHITE. Yes.

Mr. POU. Do you know whether the Canadian pays more or less than you do for the same things?

Mr. WHITE. I do not. I know that on a great deal of this that is imported, iron link chains and iron shoes and nails and spikes and things of that kind, he gets in his supplies free of duty from the other side.

Mr. POU. I am speaking of the Canadian manufacturer.

Mr. WHITE. Of the Canadian manufacturer? I do not know whether his duty is lower or higher than ours.

Mr. POU. I am not speaking of the duty; I am speaking of the price he has to pay.

Mr. WHITE. I do not know whether the price he has to pay is lower or higher.

Mr. POU. That is all.

The CHAIRMAN. Conclude your statement.

Mr. WHITE. In regard to oak lumber, some one was inquiring about oak furniture. You can buy any amount of oak lumber in the South at \$2 stumpage, and oak lumber is as a drug. I am interested in three mills, two of which now are shut down because we can not sell our oak lumber.

The sawmill man has always followed the settlements and manufactured lumber for the country and the growing towns, while the farmers all around him were rolling their timber into log heaps and burning it to make way for fields of corn and meadows. Nearly all farmers made their own log buildings, and they even split their walnut into rails. I mention this because we are accused of destroying the forests; but the lumber manufacturer has always cut his top log when he could sell it and always cut just as much as he had a market for and as much as he could sell, and as a manufacturer he has just followed along the settlements and sold his lumber when he could sell it, so as to induce the consumer to buy it instead of putting

up log buildings, and when the railroads came along and went far into the interior and opened up the prairies of the West, then it occurred to some one that he could make some money by buying stumpage—buying fifteen or twenty years ahead as an investment—and they did so, and their money has been made off of the stumpage. The man that went along and simply bought his timber from day to day or from year to year did not make much money, as I have said before.

The pledge made in the Chicago convention on June 18th last, and since reiterated by President-elect Taft, for a revision of the tariff so as to impose such duties as shall equalize the cost of production at home and abroad, and provide a reasonable profit for American industries, especially recognizing the needs and welfare of wage-earners generally, holds no fears for the lumber manufacturer. The lumber industry can appeal to that pronouncement and indorse the sentiment, as will the hundreds of thousands of American laborers who form the great army of workers in lumber. If the entire protective policy of the United States were to be abandoned to free trade the lumbermen would have no argument to present, but since protection as well as revenue is to remain the basis of our system of imposts the lumber trade feels that its stand in behalf of at least the present rates of duty is impregnable to any attack.

The degree of protection to lumber is now far below the average as compared with other protected items in the tariff schedule. I think it is equivalent to not more than 11 per cent ad valorem on rough lumber, while the average on dutiable articles imported into this country, I am told, is about 40 per cent ad valorem. And if rates are to be reduced because some articles related to the development of manufacture and agriculture are now found to be too highly protected certainly lumber is not among them.

If it be the policy to readjust the rates relative to the needs of each industry, according to the declaration made in Chicago before referred to, so as to yield a reasonable profit to American producers, then might lumber well ask for a higher rate. Under no conceivable theory excepting that of free trade can the lumber tariff be lowered or removed.

I am told that the duties received from lumber imported from British North America into the United States during the last fiscal year were about \$3,000,000 and were much lower than in previous years. The schedule of values of sawed imported lumber show that it is chiefly the lower grades of Canadian lumber that are exported to the United States.

This will be giving us more of these grades to consume, making it necessary for the American manufacturer to leave far more of his poorer grades to rot in the woods. To the Canadian, or to the American who owns stumpage in the British possessions in the Bahamas, or in Mexico, a reduction in the duty would be welcome, and in the same proportion it would be an injury to the American manufacturer and to the American workman. The upper grades of lumber take care of themselves, and find markets all over the world, and no revision of tariff is asked on their account, but the lower grades are found in the same tree, and are greatly in excess of the better grades, and the danger to be feared is the production of a surplus supply of lower grades. In the interest of forest conservation it is necessary to still

further increase the proportion of lower grades. This can not be done if more of these grades are to be dumped in upon us, as a result of tariff reduction.

I went over into Washington a few weeks ago and I saw 20 or 30 shingle mills at work. I drove 20 or 30 miles into the country, and I saw these mills working on the stumps of trees that had been cut, some of them, twenty years ago, and the shingles were all made by those mills from logs and stumps—down timber and stumps. There is a saving to this generation and to future generations if we can so conserve the waste that is going on and use it and let the standing timber grow. I think that the shingle manufacturer of the Pacific coast will naturally object to any system of reduction that will prevent his saving his own timber—the down timber and the stumps.

Mr. LONGWORTH. I would like to ask the exact technical definition of the word "stumpage."

Mr. WHITE. It means the amount of standing timber that will make a thousand feet of lumber. In regard to the present prices of lumber, the manufacturers do not know that I have this little slip, and I am going to leave it here as a part of my remarks. A retail manufacturer sent out an inquiry the other day for prices on lumber delivered on a 26½-cent rate, and 21 different mills, 16 different manufacturers in the United States who manufacture the same kind of lumber—yellow pine—replied, and I have the result here. They have all bid on that bill of lumber, and their bids run from \$1 to \$3.50 per thousand. This simply shows that there is not any agreement among lumber men.

	2 x 8" x 16', No. 2, S. and E.	1 x 10" x 14 to 16', No. 1, S. and L.	1 x 10" x 12', No. 1, S. and L.	1 x 8" x 10 to 12', No. 2, S. and L.	1 x 4" x 10 to 16', No. 1, com. fig.	1 x 4" x 14', No. 1, S. 2 S.	1 x 4" x 10', No. 1, S. 2 S.	1 x 8" x 14', No. 1, S. 2 S.	B. Casg.
Clark & Boice Lumber Co.	\$15.50	\$20.00	\$20.50	\$18.50	\$18.50	\$19.00	\$19.00	\$19.50	\$32.00
Crescent Lumber Co.	15.00	21.00	21.50	18.50	19.50	18.75	18.75	20.00	31.25
Exchange	16.50	21.00	21.50	18.50	18.00	19.25	19.25	20.50	34.25
Central Coal and Coke Co.	15.50	21.50	22.00	18.00	19.75	19.75	19.75	20.50	31.75
Buchanan	17.00	23.00	23.75	19.00	22.00	20.75	20.75	22.00	34.75
Bowman-Hicks	15.50	21.50	22.00	18.75	20.25	19.75	19.25	20.50	31.25
Ingham Lumber Co.	15.00	21.00	21.50	18.00	19.75	19.25	19.25	20.00	32.00
C. J. Carter Lumber Co.	16.75	21.75	22.25	18.75	20.75	20.00	20.00	21.25	35.50
Sabine Lumber Co.	15.50	21.00	21.50	18.00	20.00	19.75	19.75	20.60	32.25
Carlisle-Pennell Lumber Co.	17.50	21.00	21.50	18.50	19.75	18.75	18.75	20.50	32.00
Gates Lumber Co.	16.25	21.50	22.25	19.25	21.75	20.50	20.50	20.50	32.25
Colonial Lumber and Timber Co.	16.50	21.00	21.00	18.50	20.00	19.00	19.00	20.50	31.00
W. T. Ferguson Lumber Co.	19.00	23.00	23.75	18.50	20.25	20.75	20.75	22.00	34.75
Frost-Johnson Lumber Co.	17.50	23.00	23.50	20.00	22.75	20.25	20.25	22.00	33.25
Monarch Lumber Co.	16.00	21.00	21.50	18.00	21.75	19.25	19.25	20.50	32.00
Ferguson-McDavis Lum- ber Co.	16.00	21.00	21.50	18.00	20.50	19.50	19.50	20.00	32.00
Hogg-Harris Lumber Co.	16.00	21.50	22.00	19.00	20.75	20.00	20.00	20.00	33.00
Miles Timber and Lumber Co.	18.00	21.50	22.00	19.00	19.00	19.00	19.00	20.50	34.25
Long-Bell Lumber Co.	15.75	21.00	21.50	18.00	20.00	19.25	20.00	-----	32.25
Pickering Lumber Co.	15.75	20.75	21.25	19.25	20.50	19.00	21.25	-----	32.50
Kirby Lumber Co.	17.25	22.75	23.25	20.25	22.75	20.75	21.75	-----	37.50

Mr. FORDNEY. You do not know of any trust?

Mr. WHITE. I do not know of any trust, and the manufacturers when they see that, if they do see that in print, will be surprised, because it was a retail dealer that sent this out, and it shows the great variation of prices.

Mr. POW. Did he send it out for the purpose of getting the information to use in this inquiry?

Mr. WHITE. No, sir; he did not. He is interested, I think, a little more on the other side. He has been over there all summer, and he has some retail yards, and he wanted to buy this lumber, and he is interested in a mill that I am interested in, and so he gave this to me. He said: "Just look here; just see what a difference there is. I do not want my name used, and I am just going to cut my letter head off, but you can see what a difference there is on the 26½ cent rate on the same kind of lumber."

In regard to laths, Mr. Clark called attention to that. I want to say something about the cost of laths and the present market price up in Mr. Clark's district to the retailer. The present price of laths delivered in Mr. Clark's district, in that part of Missouri and all up in the northern part of the State, is \$3.05 a thousand, 10 bundles, and it costs \$1.40 a thousand to manufacture those laths and put them on the cars. The freight on those laths is just \$1.15 a thousand. One dollar and fifteen cents and \$1.40 would make \$2.55. The difference between \$2.55 and \$3.05 leaves just 50 cents. There is just 50 cents profit on those laths.

Mr. CLARK. Fifty cents profit to the wholesaler?

Mr. WHITE. Fifty cents profit to the wholesaler provided he does not ask anything for his timber.

Mr. CLARK. Provided he does not ask anything for his timber?

Mr. WHITE. Yes.

Mr. CLARK. You do not mean to say that the timber in a thousand laths would cost anybody a dollar and forty cents, do you?

Mr. WHITE. I mean to say that it costs a dollar and forty cents a thousand to manufacture them.

Mr. CLARK. Why, certainly; counting the cost of the timber in.

Mr. WHITE. No, sir; the cost of manufacturing them, tying them into bundles, running them through your dry kiln and drying them, and loading them on the cars, is a dollar and forty cents.

Mr. CLARK. For a thousand laths.

Mr. WHITE. Yes, sir; for a thousand laths.

Mr. CLARK. And the retailer got \$2.95?

Mr. WHITE. Yes.

Mr. CLARK. That was his rake-off?

Mr. WHITE. Yes; I would not wonder.

Mr. CLARK. Is there not any way on the face of the earth, somewhere between the fellow that owns the stump and the man that buys it at last, that somebody will not gouge him somewhere along the road?

Mr. WHITE. The retail man is generally your neighbor.

Mr. CLARK. Yes.

Mr. WHITE. He lives right in your town, and you will have to deal with him.

Mr. CLARK. That is what I will do. [Laughter.] Now, I want to ask you two or three questions. Mr. Fordney asked you if all other agricultural products were not protected more than lumber. If a man ten years ago paid \$7.50—that is the highest figure I have heard named here to-day—for an acre of stumpage, and for any reason, it does not make any difference what, the value of that acre has gone up to \$30 or \$40, do you think that the tariff ought to be

held up so high as to enable him to sell that stumpage at this price that is coming to him in these years?

Mr. WHITE. As long as we permit the farmer to buy his land at \$1.25 an acre—his wheat land—and there is a tariff on wheat, and he sells that land for \$50 an acre in the same time that lumber has been increasing in, I think it is as fair for the lumberman as it is for the farmer.

Mr. CLARK. He does not get any more for his wheat when the land is \$50 an acre than when it is \$1.25 an acre.

Mr. WHITE. He has got to be governed by the market.

Mr. CLARK. Yes. You and I are both Missourians, and both, I think, interested in the State.

Mr. WHITE. That is right.

Mr. CLARK. It does not make any difference how much we differ about politics.

Mr. WHITE. No.

Mr. CLARK. You put in your list of expenses that you made up of what you had to pay in making lumber the tariff on mules over a certain value.

Mr. WHITE. Yes.

Mr. CLARK. The tariff on mules does not keep Mexican mules and scrub mules from competing with Missouri mules, does it?

Mr. WHITE. I do not know. There are a great many mules raised in Missouri. That is a mule State.

Mr. CLARK. Yes; the best mule State in the Union.

Mr. WHITE. Yes.

Mr. CLARK. You would not have a pair of these Mexican mules to use in your lumber business if they would make you a present of them, would you? You could not afford to use them.

Mr. WHITE. I would rather have Missouri mules.

Mr. CLARK. One pair of Missouri mules would be worth six pairs of Mexican mules.

Mr. WHITE. Yes; but Missouri can not furnish all the mules.

Mr. CLARK. No; but they raise mules also in Tennessee and several other States.

Mr. WHITE. Yes; but they have the smaller grades of mules, and they will do in logging and they use them a great deal.

Mr. CLARK. Yes; but the reason I asked you that was because you put that in as a part of your expenses, as an excuse—I do not mean it offensively—for putting up the price of lumber.

Mr. WHITE. No; I gave you part of that as the cost of lumber. I do not know how much of that goes into the cost of lumber, but I say this: If we are going to give the farmer his lumber free of duty he must give us the same conditions that prevail on the other side, where we compete, and take off the duty on these other articles.

Mr. CLARK. Well, I took the mule feature of it as a glaring feature. If there was absolute free trade in mules the mules raised in Mexico or anywhere else could not compete with the best American mules.

Mr. WHITE. No.

Mr. CLARK. They are the best kind of mules.

Mr. WHITE. Yes; but they raise mules in other places. Now, as to the cost of the lumber to the farmer, the other side in presenting their case, I think, showed that they were very much in doubt as to whether there would be any lowering of the prices.

Mr. CLARK. You are not in doubt about it, are you?

Mr. WHITE. I believe this: That it would lower prices and we would have to cut down some on expenses if we ran our mills.

Mr. CLARK. You would cut down on stumpage, at least, would you not?

Mr. WHITE. I do not control the stumpage. The other fellow controls the stumpage.

Mr. CLARK. I know; but if the stumpage men can not sell their logs they are out.

Mr. WHITE. I do not know. They may hold it for future generations. You could not make them sell their stumpage.

Mr. CLARK. You say in days gone by, when you and I were boys in the tobacco belt, they cut up this fine timber and burned it, and made rails out of walnut trees, and all that kind of thing. That is true. I have been engaged in that kind of business, when I was a boy, myself.

Mr. WHITE. Yes.

Mr. CLARK. Now, because these people wasted the timber when there seemed to be no end to the timber, that is no reason why we should go on wasting what little we have left?

Mr. WHITE. No, sir; and that is the reason I am in favor of a tariff that will protect the timber; so that I can pick up the last log in the woods and bring it in and manufacture it into something that will pay the cost.

Mr. CLARK. And how about Mr. Gifford Pinchot and the President and all these statesmen who are talking so much about preserving our forests?

Mr. WHITE. They have not heard me talk. [Laughter.] I have the honor of being on that forest conservation committee.

Mr. CLARK. So am I.

Mr. WHITE. You and I will get together and we will try to convert each other.

Mr. POW. You read a while ago the platform of the Republican party on the question of the revision of the tariff. What is your construction of that, that that pledge is to revise the tariff upward or downward?

Mr. WHITE. I think the intention is to revise it in accordance with just the way it reads. I read it just as they put it. I do not know. I think they were simply to guarantee a fair profit to manufacturers.

Mr. POW. Revision means some change?

Mr. WHITE. Some change. It means an equitable change, so that it will insure a fair, reasonable profit to the manufacturer.

Mr. POW. I would like for you to indicate one schedule which in your opinion can be revised by reducing it downward? I want to hear somebody come in here and tell us something that there can be a little reduction in.

Mr. WHITE. Of course I would say at once I would like to have leather reduced, because leather belting costs us a great deal. We are paying at every mill we have \$2,000 a year now to keep up our belting. I would like to have that reduced. I could go over the schedule and I could reduce a whole lot of things.

Mr. POW. I would like to hear you name those things, if you do not object.

Mr. WHITE. I do not know what a horizontal reduction would mean, but I would like to see a great many things that I use reduced, of course. That would be a selfish proposition.

Mr. POW. That is what I am trying to get at.

Mr. WHITE. It would be a selfish proposition.

Mr. POW. One of them would be leather?

Mr. WHITE. Yes, sir.

Mr. POW. What other thing do you think can be reasonably reduced?

Mr. WHITE. I expect lath yarn, and wire rope, and everything of that kind. I am not in favor of tampering with the tariff.

Mr. POW. But the pledge is already made that it must be tampered with, in some way

Mr. WHITE. Yes. Before I could pass on what would be just to the manufacturers of this country, I would want to see their pay rolls, to see their cost and how much they paid their labor, and what their raw material cost them, and how much capital they had invested. I might do injustice to a man if I said that I wanted to have the duty taken off of sisal lath yarn, or rope, or any other article here. I would want to examine into his business before I could say. And you gentlemen are going to do that. You are going to summon those men here before you, just as you have summoned us.

Mr. POW. That is what I want to get at. Almost everybody who has been in here seems to be in favor of reducing this thing upward, and I wanted to get at your view of some articles that could be reduced downward.

Mr. WHITE. I do not know. I have not looked that matter over. I have not examined into other lines. I have been looking at the lumber business, and I presume there are a great many lumbermen here who feel, conscientiously feel, that they ought to have a higher tariff on some articles. But I am not asking it. I am willing to get through this period of hard times that we have had for the past year and start in anew without embarrassing ourselves any further, without any further consideration of the tariff. This is a very inopportune time to take up this revision, with industries almost prostrated by the panic which we have had in the past year. I think if we are going to consider a reduction of the tariff, or its revision, it would come better at some other period of our history.

Mr. RANDELL. You are not in favor of the Republican platform in that plank, then?

Mr. WHITE. I am in favor of you gentlemen getting together according to that plank and examining into the profits, and if you find that any manufacturer is making, by reason of the tariff, more profit than he is reasonably entitled to, cutting it down; and if it strikes lumber, I am willing to cut it down.

Mr. RANDELL. If we let the tariff stay as it is, will there be any difference, in your opinion, in the price of the lumber to the consumers on the plains in the West, as, for instance, in Texas, Oklahoma, and Kansas? Will there be any difference in the price from what there would be if the tariff was left as it is, and if so, what difference?

Mr. WHITE. I will say this. Now, if there is to be a reduction in the tariff, and a reduction in the price of lumber at the mills for a

considerable period of time, there will be relief felt, of course, on the prairies and elsewhere by the consumer, providing it is true that Canadian lumber is going to be put in here cheaper than we are now manufacturing lumber; but it is not going to be felt directly.

Mr. RANDELL. Then, if that is the case, the consumer there will get some benefit in the price?

Mr. WHITE. He will in time.

Mr. RANDELL. If that is not the case, then the lumber producer, the lumber dealer, would not lose anything; is that correct?

Mr. WHITE. Yes. I do not imagine that that \$2 is all going to the consumer.

Mr. RANDELL. I did not ask you that. I asked you if it would benefit him or not.

Mr. WHITE. It may benefit him some; I expect it will; I expect that it will be divided up along the line, and he will get a little of it.

Mr. RANDELL. I will ask you this: Has he not been getting the worst of it very much in the last seven, eight, or ten years in the price of lumber? You speak about a square deal. Answer this question: Has he been getting a square deal on the price of lumber—the builder in the plains of Texas?

Mr. WHITE. I do not understand you.

Mr. RANDELL. I will make myself understood, then.

Mr. WHITE. Yes.

Mr. RANDELL. Has he been getting his lumber at a proper price on the basis of a square deal, the basis you want to operate on?

Mr. WHITE. I will answer you in this way: I think he has been getting it on the basis of a square deal, unless he has been imposed upon by the retail lumber man. Now, even if he paid that whole \$2, even if he had done that, which he has not, and never will, that would not amount on 30,000 feet of lumber, which is the amount that would go into an average house, to but \$60, and he does not build but one house in a lifetime.

Mr. RANDELL. It would not hurt the lumberman, then, to knock the tariff off? If it would not help the consumer it would not hurt the lumberman, would it?

Mr. WHITE. The retail dealer, you mean? It would not hurt the retailer any. It is the manufacturer it would hurt.

Mr. RANDELL. Would it not hit the stumpage?

Mr. WHITE. I think it would.

Mr. RANDELL. The monopoly in reference to lumber is principally on the stumpage?

Mr. WHITE. I do not believe it is a monopoly.

Mr. RANDELL. Is it not in the hands of a very few men, and are they not mostly wealthy men and corporations?

Mr. WHITE. I think there are a very few wealthy men and corporations. It seems that there are a great many of them, because they are in the limelight, but it is something that is being held by the farmers all over the country. I am buying stumpage of the farmers now.

Mr. RANDELL. Have not the farmers got the stumps and you have got the lumber.

Mr. WHITE. They have got the stumpage. I am buying now in Louisiana and in the northern part of the State of Missouri. In Shannon County I bought 5,000 acres this past year, right in Shannon County, and 25,000 acres in the past five years.

Mr. UNDERWOOD. What is a square deal? When we strike a duty here which is practically prohibitive, and no competition can come in from abroad and no revenue is derived by the Government, do you think that is an indication that that duty is too high—that it needs adjustment downward?

Mr. WHITE. If you are in for a tariff for revenue, of course a prohibitive tariff may be too high; but sometimes you may get things cheaper under a prohibitive tariff, by home competition.

Mr. UNDERWOOD. Possibly by keeping on for a great number of years you may build up; but take the consumer of to-day, and not waiting for the years to come to work out the problem, do you not think it is a matter of a square deal when you strike a tariff duty that is prohibitive and allowing no goods to come in whatever, and the Government is deriving no revenue, to adjust that downward? Do you not think that is the place to readjust downward?

Mr. WHITE. I would not favor a prohibitive tariff. We have not had one in regard to lumber. That has been a low one.

Mr. UNDERWOOD. I am not speaking in regard to lumber. That is not prohibitive.

Mr. WHITE. No.

Mr. CLARK. In regard to that belting; you would like to have cheaper belts?

Mr. WHITE. Yes. I use a good many of them.

Mr. CLARK. The New England brethren want the tariff taken off of hides.

Mr. WHITE. Yes.

Mr. CLARK. But they have not so far been willing to agree to take it off your belting and shoes and boots and harness.

Mr. WHITE. No.

Mr. CLARK. Do you believe they could be induced to agree to put down not only the price of your belting, but of shoes and boots and harness, and everything that you use?

Mr. WHITE. You will have to labor with those fellows.

Mr. CLARK. I have been laboring with them for a long time.

The CHAIRMAN. You said you needed protection in the lower grades, the lowest grades, of lumber?

Mr. WHITE. Yes.

The CHAIRMAN. At what price are the lower grades imported, per thousand?

Mr. WHITE. I do not know that we have been suffering in our markets from the lower grades from Canada, but if the \$2 was taken off, I think we would suffer from those lower grades. That is the reason they want the duty off.

The CHAIRMAN. Is any of the lower grades imported now?

Mr. WHITE. I think that what is brought in here is chiefly lower grades.

The CHAIRMAN. What is the price in this country of the low grades we would get?

Mr. WHITE. No. 2 common?

The CHAIRMAN. And No. 3 common?

Mr. WHITE. No. 3 common is about \$6 at our mill. No. 2 common is about \$8 at our mills, and it is costing us more to manufacture it now. We are not making any money on those grades.

The CHAIRMAN. So that the ad valorem duty would be 30 or 40 per cent?

Mr. WHITE. Yes. It is a plain proposition. I think you will find that you do not want to let that cheap lumber come into this country.

The CHAIRMAN. It is 30 or 40 per cent?

Mr. WHITE. The freight is in their favor. It costs us 34 cents a hundred to get our lumber up to Canada or into Buffalo, and they will get it into Buffalo for 5 cents.

The CHAIRMAN. Of course they will from some points. Go a little further. As to the duty paid on machinery, the Canadian duty on sawmills and things of that kind is 30 per cent on sawmills built in this country. Of course, I do not agree with that theory, that whenever there is a tariff on an article the whole tariff is added to the price.

Mr. WHITE. I do not claim that, but a very considerable portion of it often is.

The CHAIRMAN. Sometimes none of it is added, where there is a great deal of competition.

Mr. WHITE. The whole of the tariff on steel wires is not added.

The CHAIRMAN. Do not let us go off onto steel wires. We want to get through with the lumber schedule.

Mr. WHITE. Yes.

The CHAIRMAN. As to sawmills, there are no factories making that machinery?

Mr. WHITE. Yes.

The CHAIRMAN. And there is competition there?

Mr. WHITE. Yes.

The CHAIRMAN. And a low price, comparatively?

Mr. WHITE. Yes.

The CHAIRMAN. So that it is a question whether any of that would be added to the price, or if any, a very small part of it?

Mr. WHITE. Yes.

The CHAIRMAN. The machinery being made in this country and exported into Canada, then, is subject to the 30 per cent duty, with no competition in Canada?

Mr. WHITE. Yes.

The CHAIRMAN. So that they would be at a great disadvantage for that part of their machinery?

Mr. WHITE. Yes; I expect that is true.

The CHAIRMAN. As to railway equipment, and that is used largely, the duty on that is 35 per cent in Canada?

Mr. WHITE. Yes.

The CHAIRMAN. And of course they have a disadvantage there, having no manufacture of that class of machinery there, have they not?

Mr. WHITE. In England they manufacture and bring it over into Canada.

The CHAIRMAN. Yes; in England, but they seem to import that machinery from the United States, and if they manufacture and bring from England they pay a duty on that. Somebody pays a duty when it is brought from England.

Mr. WHITE. I do not know what the duty is between Canada and England.

Mr. HILL. It is 20 per cent.

The CHAIRMAN. Twenty per cent reduction of duty, so that instead of 35 per cent it would be 28 per cent. There would not be much choice. Now, those things would help to make up for the freight to Buffalo, would they not?

Mr. WHITE. Yes; they would help.

The CHAIRMAN. You speak about pay rolls. I am glad you mentioned that. We are glad to look at pay rolls, and if you will commence right here and send your pay rolls, say one for each year for the last three years, for the inspection of the committee, or make a copy if you do not want to send the originals, and send us a copy, we will accept those copies and take your word for it that you have made an honest copy, if you do not want to send the originals.

Mr. WHITE. I will do it.

The CHAIRMAN. And if you will send the figures as to the different classes of laborers, we will take your word for that.

Mr. WHITE. We are proud of our pay rolls in Missouri.

The CHAIRMAN. This schedule is the only one appearing now, and the question is whether there shall be a reduction on this schedule. The other schedules will be taken up, and there will be questions on the other schedules, but we want to get the information more than anything else. That is all.

Mr. FORDNEY. Going back to laths, you spoke of the price which they sold for in our friend's district, \$3.05, leaving a profit for stumps to the manufacturer of 50 cents a thousand.

Mr. WHITE. Not a profit; no. I beg your pardon.

Mr. FORDNEY. No; but stumpage. Just answer as to stumpage. It was \$2.50 a thousand for stumpage for the timber in the laths?

Mr. WHITE. Yes.

Mr. FORDNEY. The price of stumpage in Louisiana to-day is far above that?

Mr. WHITE. Yes.

Mr. FORDNEY. Further, the gentleman asked you about the reduction of cost?

Mr. WHITE. Yes.

Mr. FORDNEY. In case of low prices, you said you would have to curtail expenses or cost of production?

Mr. WHITE. Yes.

Mr. FORDNEY. Is it not true that you would commence with labor first of all, because labor more largely enters into the cost of a product than any other one thing?

Mr. WHITE. Yes; we should have to. We would hate to do it, but we would have to do it.

Mr. FORDNEY. That is right; the labor enters more largely into the cost than anything else?

Mr. WHITE. Yes; 80 per cent of it is labor.

Mr. FORDNEY. A gentleman asked you whether or not the consumption of lumber would be greater when the price was low than when it is high. Compared with agricultural products in 1896, is it not true that the average American is consuming more wheat to-day at the high price that it brings than he did in 1896, when it was 50 cents a bushel?

Mr. WHITE. I have understood that that is true.

Mr. FORDNEY. Then what is true of those articles is quite likely true of every other article produced in the country.

Mr. WHITE. Yes, sir.

The CHAIRMAN. It depends upon the prosperity of the people, does it not?

Mr. WHITE. Yes, sir; it depends upon the prosperity of the people.

Mr. FORDNEY. Is it not true that we are far more prosperous under a high protective tariff than we ever were under a low tariff?

Mr. WHITE. Yes, sir; I think that is true.

Mr. HILL. In buying stumpage, did you ever figure on the quantity of laths you would get out of it, or did you not buy stumpage on the basis of the lumber you cut from the logs, and were not the laths made entirely from the wastage in making the lumber?

Mr. WHITE. Yes, sir.

Mr. HILL. Then lath is a by-product entirely?

Mr. WHITE. Yes, sir; but that 50 cents, however, is not net profit. You charge use of your mill, as you have got it there, and your machinery and expense of depreciation.

Mr. HILL. Yes; but it is practically a surplus product, over and above the merchantable lumber in the logs?

Mr. WHITE. Yes; unless you can get 50 cents out of it you are not making any money.

Mr. CLARK. Do you know how it figures out that if a thing is shipped into Canada the Canadian tariff is added to the price, but if it is shipped from Canada into the United States or from anywhere else into the United States our tariff is not added to the price? What is the reason that that thing does not work both ways, going and coming?

Mr. WHITE. I do not know that I understand you.

The CHAIRMAN. It depends on the competition, does it not?

Mr. CLARK. No; it depends on whose ox is gored.

The CHAIRMAN. It depends on whose ox is gored, exactly. That is the difficulty with the gentleman from Missouri.

Mr. CLARK. It was mentioned that when these sawmills were shipped into Canada they would have to add 35 per cent of Canadian duty to the price of the sawmill, and therefore the American sawmill man had that much advantage over the Canadian sawmill man?

Mr. WHITE. Yes, sir.

Mr. CLARK. I ask you if the Canadian tariff is added to our articles when we ship them into Canada, how do you figure it out that the American tariff is not added to the foreign articles when they are shipped into America?

Mr. WHITE. The sawmill is a very small proportion of the expense.

Mr. CLARK. I took the sawmill as an illustration of the whole thing.

Mr. WHITE. Yes; it happens to be made more largely in the United States.

Mr. RANDELL. You say with the tariff off the danger would be of the importation of low-grade lumber?

Mr. WHITE. Yes.

Mr. RANDELL. Is not that the kind of lumber that is principally used in improving the farms on the plains of the West?

Mr. WHITE. It is largely cheap lumber; but we have not got a market for all of it now.

Mr. BOUTELL. I wanted to refer again to Mr. Clark's experience with these laths, because it is interesting as typical of the complaint

which is made by all the producers of lumber who do complain. I understand that you sell to the retailer in his district at \$3.55?

Mr. WHITE. I think it was \$3.05 for laths, now, in his district.

Mr. BOUTELL. Three dollars and five cents?

Mr. WHITE. Yes.

Mr. BOUTELL. And out of that you get what?

Mr. WHITE. Fifty cents.

Mr. BOUTELL. Without pretending to say what a fair profit is for a retailer, if we allow for the retailer the same profit as the manufacturer gets, we would have the retailer making 50 cents a thousand if he sold those laths at \$3.55 a thousand?

Mr. WHITE. Yes.

Mr. BOUTELL. Then when Mr. Clark paid \$6 a thousand, he was paying to the retailer \$2.45 excess profit?

Mr. WHITE. Yes.

Mr. BOUTELL. Over and above the 50 cents?

Mr. WHITE. Mr. Clark bought those laths at a time when laths went up. There was a time when we asked, delivered at that point, \$4.50. I think there was about six months when you could not get a lath in white pine, you could not get a lath anywhere on the Mississippi River, and there was just a boom for laths, and they went up to that price. I think \$4.50 was what we got for laths for about six months.

Mr. CLARK. That was in June and July of 1907.

Mr. WHITE. That is right; that was the time when laths were up.

Mr. BOUTELL. Very well; if you were selling them then at \$4.50 to the retailer at a 50 cent profit, and we allowed him 50 cents profit, that would be \$5, while the retailer would be getting a dollar a thousand profit over and above the profit which the wholesaler made?

Mr. WHITE. Yes, sir.

Mr. BOUTELL. In other words, if this is typical of the experience of men who are buying lumber at retail, then the high price is not due either to the tariff or to a lumber trust—that excess \$1. That was simply due to the retailer getting all he could get out of it?

Mr. WHITE. Yes; that was it. It was a local condition.

Mr. BOUTELL. Another thing. You spoke of a small house, and the amount of saving to be made in the building of a house, provided the whole \$2 could be carried forward to the farmer who built the house?

Mr. WHITE. Yes.

Mr. BOUTELL. That would be allowing about 30,000 square feet for a house?

Mr. WHITE. Yes; 25,000 to 30,000 feet of lumber in a house that would cost \$2,000.

Mr. BOUTELL. That would be a good five or six room cottage?

Mr. WHITE. Yes.

Mr. BOUTELL. And if the duty were repealed and we could carry forward to the ultimate consumer the difference would be \$60?

Mr. WHITE. Yes.

Mr. BOUTELL. If we should suppose that in the ordinary channels of commerce half of it went to him, that would be \$30?

Mr. WHITE. Yes.

Mr. BOUTELL. That the farmer in Mr. Randell's district or the mechanic in my district could save on the building of a house \$30?

Mr. WHITE. Yes.

Mr. CLARK. A difference of \$60 would make a considerable difference in the number of houses built in the United States, would it not?

Mr. WHITE. It would depend on what the farmer was getting for wheat.

Mr. CLARK. I am not talking about the farmer, but about the man that builds the house.

Mr. WHITE. It has not proved so in my experience. When things are high there is more building going on; the country is more prosperous. If you put lumber clear down you do not increase the consumption.

Mr. CLARK. Suppose everything else was left as it is; let us take the extreme illustration, and you cut down lumber so that it reduces the price of an ordinary house of five or six rooms \$60, will not that increase largely the number of houses to be built in the United States?

Mr. WHITE. If everything else in the country is prosperous, it might have that influence; but when a man gets ready to build a house he builds a house, and he does not let \$50 stop him.

Mr. CLARK. Yes; you and I would; but there are thousands of people that count every cent that goes into a house before they start building.

Mr. WHITE. If there was going to be a horizontal reduction, and everything taken off, I do not think we would have anything to complain of.

Mr. CLARK. What do you want to substitute a tariff commission for the Ways and Means Committee for? Just give us a plain, candid answer.

Mr. WHITE. I just have so much confidence in you gentlemen that I just wish you could fix it and not call on us fellows at all. I think if you investigated, as you are now doing, we could rely on your judgment entirely.

Mr. CLARK. We are much obliged to you.



EDWARD HINES, OF CHICAGO, REPRESENTING THE EDWARD HINES LUMBER COMPANY, APPEARS IN THE INTEREST OF CONTINUED PROTECTION FOR LUMBER.

FRIDAY, *November 20, 1908.*

Mr. HINES. Mr. Chairman and gentlemen, I am appearing before you in rather a dual position, directly representing several phases of the lumber business. In the first place, our company is largely a buyer in the lumber jobbing business, our main yards being located in Chicago. We have purchased lumber in Canada, in the Georgian Bay district, from the Soo to Owen Sound, large quantities of lumber, during the period of the duty of \$1 per thousand, during the period when the duty was entirely taken off, and later when the duty was made \$2 a thousand. The Georgian Bay district has a peculiarly advantageous position, owing to the rivers entering the bay at a number of points, so that the logs are very cheaply transported to the mills. The mills are all located on the bay, directly accessible by the cheap water transportation to the great distributing points of Tonawanda and Buffalo, N. Y.; Cleveland and Toledo, Ohio; Detroit and Saginaw, Mich.; Chicago, Ill.; and Milwaukee, Wis., the great gate-

ways for shipping to the immense consuming districts of New York, Pennsylvania, Ohio, Indiana, and the Middle West. Lumber can be transported to these gateways at an average of \$1.75 per thousand. These places, besides being great distributing railway shipping points, are directly the largest consuming cities of lumber in this country, both in the building line and the cutting up into the various factory lines for boxing and crating material. This territory comes in direct competition with the hemlock from Pennsylvania and Michigan and Wisconsin, and with the various woods, like yellow pine, poplar, and gum, from south of the Ohio River, subject to transportation charges alone of from \$5 to \$10 per thousand, as against \$1.75 from Canada.

Mr. UNDERWOOD. Subject to how much?

Mr. HINES. Subject to a difference in favor of Canada of \$1.75 by water as against \$5 to \$10 per thousand, probably a maximum of \$10 per thousand, by rail in this country. By actual experience and statistics the importation of lumber from Canada in both volume and value per thousand feet has increased most extensively. In 1898 the United States imported from Canada 353,000,000 feet, valued at \$9.91 a thousand feet. In 1907 there was imported practically three times that amount, or 924,000,000 feet, at about 100 per cent increase in value per thousand feet.

Mr. HILL. In making your comparison between \$1.75 freight by water from Canada and the \$10 rate by rail transportation in the United States, you are making the comparison between two different kinds of lumber, are you not—yellow pine, and white pine from Canada?

Mr. HINES. No, sir.

Mr. HILL. Where do you get your white pine in the United States at \$10 a thousand?

Mr. HINES. We are manufacturing at four large mills—at Ashland, Wis.; at Iron River, Wis.; at Mason, Wis.; and at Hayward, Wis.

Mr. HILL. That does not cost any \$10 a thousand, does it?

Mr. HINES. I said from \$5 to \$10 a thousand. To put the lumber from Hayward, Wis., to Buffalo, N. Y., by rail, rough lumber, costs about \$7 per thousand. To Detroit it costs about \$6.50 per thousand.

Mr. HILL. By rail?

Mr. HINES. Yes, sir.

Mr. HILL. Why do you not put it there by water?

Mr. HINES. Those points are located away from the Lakes. To put it there by water you would be obliged to ship first to the lake ports and pay a rail rate, then an unloading charge, then a reloading charge, and then a water-transportation charge, making it almost the same.

Mr. HILL. In one case lumber from Canada is in the rough and in the other case it is delivered by rail here dressed; is it not?

Mr. HINES. No; I am citing a case of both in the rough. If you dress it in the United States it costs a further charge.

Mr. GRIGGS. Is the Canadian lumber all made on the coast?

Mr. HINES. It is all made on the coast. What they call the Ontario district lumber is made absolutely on Georgian Bay, on the water.

Mr. GRIGGS. That comes through by water?

Mr. HINES. That comes through by water, all of it.

Mr. CLARK. That can not possibly last long, can it?

Mr. HINES. Yes; I think, in a conservative way, that what they are manufacturing in the Georgian Bay district has a life of at least fifty years ahead of it.

Mr. CLARK. I know; but part of the Georgian Bay district is a hundred or 200 miles from Georgian Bay.

Mr. HINES. Those rivers extend from 100 to 200 miles up.

Mr. CLARK. All of the timber in the Georgian Bay district does not grow so close to navigable waters that you can roll the logs down and raft them down, does it?

Mr. HINES. Nature has given Georgian Bay very peculiar advantages. There are a number of streams, at least 15 or 20, that run into the lake from a distance of 100 to 300 miles north, and the distance between those streams ranges all the way from 10 to 30 miles. The timber is taken over to one stream or the other stream.

Mr. CLARK. Instead of having the most fortunate country on earth, we seem to have the most unfortunate one about everything.

Mr. FORDNEY. About all the lumber manufactured in the Georgian Bay district is manufactured right on the bay, is it not?

Mr. HINES. All—all.

Mr. GRIGGS. Will it all continue to be manufactured there?

Mr. HINES. Naturally; nature has so arranged the situation that the cheapest way to transport logs is by water. The water flows to the lake, and the logs will almost naturally float down to the lake at a very small cost.

Mr. HILL. That was true at Bay City and Saginaw as long as the logs lasted, was it not?

Mr. HINES. Yes, sir.

Mr. GRIGGS. We have many rivers in Georgia on which timber grows, but we have no such situation as that, because they are 15 miles apart. A tramway has to be built to carry the logs out, and that is a large part of the railway cost.

Mr. HINES. But up north that is done in the winter time, with snow and ice roads, at practically no cost; while down south the yellow pine will not, in all cases, float. Up north our pine timber floats.

Mr. GRIGGS. Our pine will float, too.

Mr. HINES. Yes; to some extent. There is some difference in it.

Mr. GRIGGS. I never saw a pine log sink yet.

Mr. HINES. Does not the great extra cost in transportation from our mills to the respective places above named, and the large increase in the importation, warrant, in a most reasonable way, that our industry should have protection? And would it not be a mistake to give Canada further advantages by considerably lowering the present tariff? Our business is the largest purchaser of farm foods and farm products of any industry in this country, and needs assistance at your hands in the way of maintaining, if not increasing, the present tariff. The present tariff is only one for revenue, and is not one of sufficient size to be called protection, as in the case of the tariff on many articles like iron and steel, which enter into the manufacturing lines and are direct competitors with us.

Mr. GRIGGS. Right there, do you mean to tell us that you are here advocating a revenue tariff on lumber, and that you do not care anything about the protective part of it?

Mr. HINES. No, sir; absolutely on the contrary. We are here advocating a protective duty for this industry.

Mr. GRIGGS. But you say this is not one.

Mr. HINES. In our judgment it is not, as compared with other articles that enter into direct competition in our building lines, like steel. We say that an average of 11 or 12 per cent is not a protective duty as compared with other articles having from 40 to 60 per cent in comparison.

Mr. GRIGGS. Then it is a comparatively protective duty?

Mr. HINES. That is what the facts show; yes.

For the past several years, as the supply of some kinds of lumber has decreased, a mistaken opinion has become prevalent among many people. It has been stated broadly that the supply of lumber has greatly decreased, when really only certain kinds have been decreasing, which has had the effect of influencing the consumer to use other kinds practically as suitable for the ordinary purposes as they have been using white pine for and thus giving value to what was considered useless. Twenty-five years ago the average farmer and carpenter and box factory would not use anything but soft white pine, even for the ordinary common framing lumber. As it became harder to get and more expensive, necessity compelled him to look into the suitability of Norway pine, which at that time had no commercial value. I remember distinctly of first introducing Norway in the Middle West twenty-five years ago, going so far as to carry samples of it worked to bevel siding and flooring, and showing that it would take paint and answer practically the same purposes as white pine. We even furnished railroad companies sufficient samples in the way of roofing and siding to build cars, thus introducing it, and now it is used exclusively for framing and for car siding and roofing and for most purposes where white pine was formerly used exclusively.

Further changes have taken place during the past ten years. Hemlock has been gradually introduced in the place of Norway pine, until now it is being manufactured in large quantities in Pennsylvania, Michigan, and Wisconsin; and it has been demonstrated that for many purposes it does equally as well as many other woods. That has brought into the market timber that formerly had no commercial value and kept alive mills and towns that for many years were supported by the pine industry.

The hemlock stumpage at the present time is netting the manufacturer from \$2 to \$3, selling at the mill points for from \$11 to \$13 per thousand. The difference of from \$8 to \$9 consists entirely of charges for labor and supplies. Our lumber industry pays out more for horses, for food for the horses, and for the food supplies for men than is paid out in wages.

Take the duty off lumber, and where would the value of hemlock stumpage go? The manufacturer would not realize anything, and, necessarily, unless he could reduce the price of labor, the industry would have to go out of business. Considering that the cost of transportation to put this lumber on the market is from \$4 to \$6, as compared to \$1.75 in Canada, you must appreciate his competition and the importance of giving this great industry some protection.

There are at least 250 mills in Michigan, Wisconsin, and Pennsylvania manufacturing hemlock to-day. In most cases it is the only employment offered in these territories, the men being employed in the woods in the winter time and in the summer time in the sawmills and yards. All are great buyers from our home farmers.

There is still considerable pine timber located in Wisconsin and Minnesota, estimated at 20,000,000,000 feet. The State has been selling timber for from \$7 to \$11 per thousand on the stump. Add to this the cost of operating, place lumber on the free list, and the manufacturer would be in a most serious position in endeavoring to sell his product in any of the large cities or consuming districts, all of which are reached by cheap water transportation from Canada. Labor in this country has become educated to a high standard of living, and even under the terribly depressed conditions of the past year it has been next to impossible to get it to take anything less. During the last year the value of most kinds of lumber decreased 25 per cent, but labor did not decrease over $7\frac{1}{2}$ per cent, amounting to about 25 to 35 cents per thousand feet, while lumber declined \$3 to \$5 per thousand.

Mr. GRIGGS. Has not a large percentage of that price come back, though?

Mr. HINES. No, sir; not yet.

Mr. GRIGGS. None of it has come back yet?

Mr. HINES. Some kinds of lumber to-day have increased probably 5 per cent; but we have not yet seen any material advance.

Mr. GRIGGS. Has not yellow pine increased from \$4 to \$6 a thousand?

Mr. HINES. No, sir; absolutely not. I should say yellow pine has increased on an average of about 5 per cent. That would mean from 50 cents to \$1.50 a thousand.

Mr. GRIGGS. That is what they tell me; that is all I know about it.

Mr. HINES. No; our selling price would not average over a dollar per thousand higher than during the lowest period of last year; and, buying in Chicago, we have not as yet paid over a dollar a thousand for anything in excess of the low price of last year.

A new feature in the past five years has come greatly to the front by the manufacture of yellow pine in the Southern States, which in volume now exceeds any other kind of lumber produced in this country, and very largely exceeds the amount of pine lumber that was ever produced in the North during the period of its greatest production. Last year this industry reached 13,000,000,000 feet, as compared with 3,250,000,000 of pine. This lumber is fast taking the place in the markets of all other kinds of pine and hemlock, and is becoming the universal material for all ordinary purposes.

Mr. UNDERWOOD. Let me ask you a question right there. In the case of yellow pine intended for structural work, there is no competition with the Canadian lumbers, is there? They do not compete at all?

Mr. HINES. They do, absolutely. You can buy Norway pine in Canada to-day at a basis of from \$13 to \$14 per thousand. We purchased last summer in the neighborhood of 20,000,000 feet at from \$12 to \$13.50 a thousand in Georgian Bay. The freight was from \$1.50 to \$1.87 $\frac{1}{2}$; take \$1.75 as the average. The duty of \$2 would make it \$3.75—an average of \$13 in Canada, which would make it \$16.75 in Chicago. Take yellow pine from the South, and you are up against the 26-cent freight rate. In the rough it weighs about 4 $\frac{1}{2}$ pounds, costing about \$11.50 to freight it alone. That would leave, at the mill points, about \$7 a thousand for your timber.

Mr. UNDERWOOD. Then, if the Norway pine is a competitor in the same field that the yellow pine occupies, how do you account for the fact that the yellow pine of the South goes into Canada and comes in competition with it?

Mr. HINES. That is a very small percentage—not over 5 per cent of the amount produced; and that is only extremely large timber and heart stock. But to get that heart stock you have got to cut the balance of the log into something else and sell it. You have got to cut your top logs, your branches, and your side logs, and it has got to be put in other markets.

Mr. HILL. Mr. Hines, do you think that the tariff, in order to be a protective tariff (which you say you think you ought to have), ought to equalize the difference in freight between Canada and Chicago and the southern pine freight rates to Chicago?

Mr. HINES. No; I do not say it ought to entirely; but I say that to attempt to reduce it would mean placing the lumber industry in this country at a still greater disadvantage than it occupies to-day.

Mr. HILL. How do you reconcile that with the proposition that on the Atlantic coast, in New England, we can get the southern pine cheaper from the South than we can get lumber from Canada?

Mr. HINES. I think you are mistaken about that. You can not ship yellow pine from the South—

Mr. HILL. I am talking about North Carolina.

Mr. HINES. Yes; North Carolina—you can not ship North Carolina lumber to the markets of New York and Philadelphia and Boston any cheaper than you can ship New Brunswick spruce and hemlock to those same markets.

Mr. HILL. I am comparing it with Canada lumber. It is cheaper than that; it is cheaper than Ottawa lumber and Georgian Bay lumber.

Mr. HINES. No; in the New York markets—and I was there on Tuesday—you can buy Canada spruce to-day cheaper than you can buy yellow pine.

Mr. HILL. For how much?

Mr. HINES. Cheaper in price than you can buy southern pine.

Mr. UNDERWOOD. Does spruce come in competition with yellow pine?

Mr. HINES. Oh, yes. In the ordinary building material the spruce is just as good for joists and scantling and for sheathing and for lath and purposes of that kind; it is exactly equal to the yellow pine.

Mr. HILL. And a great deal better?

Mr. HINES. Well, I want to speak in a conservative way. In my judgment, it is better. It does not contain the sap; but in a conservative way it is as good.

The cost of transporting the lumber from the South to the consumer to the market, above referred to, averages from \$7 to \$10 per thousand. Compare this cost with the cheap water transportation from Canada, \$1.75, and does this not warrant a further protection at your hands? The present value of stumpage in Mississippi and Louisiana is about \$4, the cost of labor in operating being from \$8 to \$9, all cash, and which can not be reduced. Transportation amounts to from \$7 to \$10; and railroad companies are now claiming that they must increase the rates. If you deduct \$2 per thousand tariff, what will it come out of? The railroad companies

will not carry it for less; labor will not bear any reduction. Would there be any justice in asking us to lose one-half of our investment, which has been paid for at the \$4 basis? Does not the state of affairs warrant us in asking protection?

Mr. HILL. Mr. Hines, one moment—pardon me for interrupting you: Is not that stumpage bound to increase in value as the forests are cut off in this country—necessarily so?

Mr. HINES. It depends on what competition it meets. Are you speaking strictly of the yellow pine?

Mr. HILL. I am speaking of the stumpage anywhere in the country—South, North, East, or West—within the United States and within the \$2 tariff provision. Is not the stumpage bound to increase in value, as it has increased in value for the last twenty years?

Mr. HINES. Personally, I do not think so; not nearly so much, for this reason: Changes in conditions have taken place.

Mr. HILL. Does the pine grow again when it is cut off?

Mr. HINES. No; but here is the explanation I am giving you: Changes in conditions have taken place. In the little country towns to-day you see no pine sidewalks; you see entirely cement sidewalks. You can hardly appreciate the tremendous amount of lumber that used to be used in pine sidewalks in the United States.

Mr. HILL. At the same time the consumption is increasing enormously every year?

Mr. HINES. Yes; but during the last few years the cement proposition has come in to compete with us in a greater proportion than it did in twenty years before that. That has occurred in the last three years. So it is a question to-day whether stumpage will increase as it has in the past. You have no proof to substantiate it. It is simply a matter of one's opinion—one's judgment.

Mr. HILL. Do you not think that the price of stumpage is going to continually increase with the cutting off of the forests?

Mr. HINES. I think it ought to increase, for this further reason, outside of the cutting off of the forests: The matter of taxation in this country has got to increase it, as compared with Canada. Your timber in the West, your timber in the South, and your timber in the North, as I will show later on, is to-day estimated by every town assessor, and it is assessed at its present market price, on a basis of 3 or 4 per cent. Add your taxes per year to your stumpage and add 5 or 6 per cent of interest (which is only a reasonable charge), and necessarily in a period of ten years you have either got to increase the value of your stumpage or you are going to lose part of your principal, outside of the question of cutting off your timber.

Mr. HILL. Is the manufacturing profit to-day on lumber in the United States anywhere near equal to what it was on the southern peninsula of Michigan when Bay City and Saginaw were in their glory?

Mr. HINES. No, sir; I do not think it is.

Mr. HILL. Then the increased cost of lumber is merely the result of increased stumpage, is it not?

Mr. HINES. No; it is due to a combination of reasons. It is due to the very materially increased cost of labor; it is due to a material increase in the cost of all kinds of supplies. Every such item as corn, oats, and wheat is several hundred per cent higher than it was

a few years ago. If you buy a team of horses to-day you pay \$500 for them. We used to buy them for \$225 a few years ago.

Mr. FORDNEY. The center of production is farther away from the center of consumption than it was then, is it not?

Mr. HINES. Yes, sir; and there are various reasons that bring that result about.

Mr. HILL. The reason for the center of production being farther away is simply that the supply near by has been cut off, is it not?

Mr. HINES. No—well, you might say it depends upon what territory you want to use the lumber in.

Mr. HILL. I am talking about Chicago.

Mr. HINES. If you take Chicago, from a local situation, it may be true there; but if you take St. Louis or Kansas City, the situation is just the other way; because the yellow pine to-day is nearer St. Louis than the white pine used to be to St. Louis.

The great States of Louisiana, Mississippi, Alabama, and part of Texas, Florida, Georgia, and the Carolinas are full of timber—enough to supply the market for many years, and practically their greatest wealth is raw material. Should not this district have reasonable protection as compared with the other great industries in raw material and manufactured products? In lumbering operations almost everything we buy has protection. Labor is protected. Steel we use in large quantities. Leather we use in belts. We use a great deal of woolen goods and other articles, all having an average of over 40 per cent in protection. Is it not reasonable that lumber should have not alone its present duty, but an increased protection?

A further and greater illustration lies in the comparison of carrying charges in Canada as compared to this country. We own some 500,000,000 feet of timber in Canada. The tax is only about \$300 per year. In the city where our mills are located the country or town has no personal property tax. Therefore our mills and personal property are free from taxes. There is no penalty there for holding this timber or manufacturing it in limited manner. In Wisconsin we have several large operations. In Iron River, Hayward, and Mason, Wis., the town boards have had our timber estimated by experienced estimators, and, on the basis of actual quantity (the basis of \$6 per thousand stumpage), imposed a tax of from 3 per cent to 4 per cent, amounting to about \$90,000, or about 20 cents per thousand. In addition to this our sawmill, personal property, horses, outfit, railroad, and equipment are assessed at about their cash value, at 5 or 4 per cent. In manufacturing 30,000,000 feet per year, our taxes are about \$3 per thousand on the amount produced, while in Canada there is practically no tax, or no great carrying charge, again placing us at a disadvantage of at least \$4 per thousand. Deducting the tariff of \$2 would give them a greater advantage of \$5 per thousand.

Suppose you are cutting 30,000,000 feet per year, which would be a reasonable amount to cut. You have to make on your daily production or saw output \$3 per thousand to pay for the carrying charge on the timber in Wisconsin. In Canada you only have to make \$300 per year, or about 1 cent on that amount of production. Just think what that amounts to, gentlemen—\$3 per thousand. You have to make that before you start to make interest on your capital. That goes right to the town; it goes to the State. Think of what a carrying charge that is.

The same conditions exist in the South. Two years ago we were called to Mississippi to meet the board of supervisors. They had had men out all through our timber. We own some 240,000 acres there. They had estimated conditions in sections of it, and they said, "We want to tax you now at \$25 per acre on that timber at the regular assessed percentage." According to law, we could not do anything but pay our taxes. Now it is costing us to hold that tract of timber there about \$50,000 per year—just to hold it for taxes, not to speak about interest.

That is one thing that must necessarily add to the cost of stumpage, and is a very large item.

Mr. HILL. It adds to the cost of lumber, too, by holding it out of the market, so that the small producer can not get hold of the stumpage, does it not?

Mr. HINES. No, sir. As an illustration, I will tell you this: There are 28,850 sawmills in this country. There is the strongest illustration you could have that it is ridiculous to claim that there is a lumber trust. It is also a strong illustration that there are a great many so-called "small sawmill men" in the United States.

Mr. LONGWORTH. What do you say about the cost of labor in this country and in Canada?

Mr. HINES. You have to take Canada by districts. If you take the extreme Northwest, a very large amount of their help is Hindus, Japanese, Chinamen, and all that class of help. They get from 80 cents to \$1.25 a day. Right across the border you have entirely Americans. They get from \$2 to \$3 per day. Take the conditions down in the extreme Nova Scotia district, and you have Canadian Frenchmen—an excellent class of workmen, especially in the woods. They get about half what we are paying them in this country. The Ontario district comes nearest to our prices of labor, although, on the average, the prices there are a little less, but they come nearest to the prices here.

Mr. CLARK. Mr. Hines, do you mean to say that the lumber industry out in Washington, Idaho, and Oregon is conducted by Japanese, Hindus, and Chinese?

Mr. HINES. In our lumber operations?

Mr. CLARK. Yes; and all the rest of them.

Mr. HINES. No; in Washington Territory, Idaho, Montana, and through there, they have Americans almost entirely.

Mr. CLARK. You undertook to work them, and the Americans ran them out over into British America; did they not?

Mr. HINES. Oh, there was practically nothing of that kind. That occurred in one or two isolated places. It would not be 2 per cent of the help. But right across the border it is almost entirely that kind of help.

Mr. CLARK. They tried to run them back, did they not?

Mr. HINES. I do not recollect just the exact facts; but I know positively, having been out there a number of times, that it is a rare thing to see—in fact, you do not see any Hindus in the State of Washington or Oregon or Idaho.

Mr. CLARK. Where did those fellows finally fetch up? They were playing shuttlecock over the border with them, were they not?

Mr. HINES. I do not know where; but some of our people here have photographs showing a hundred men in front of the sawmills, all Hindus and Japanese, and not a single American among them.

Mr. CLARK. Yes; that would be very easy to arrange.

Mr. HINES. We have got pictures of a number of places. It would not be quite so easy to show a number of places in that way.

Mr. CLARK. You might move them along.

Mr. HINES. Well, no; I think not.

The CHAIRMAN. Proceed, if you will. Our time is running by and we have a great many people to hear.

I want to warn the gentlemen present that this hearing must be concluded before we adjourn to-night. I am not speaking to the committee; I am speaking to the other gentlemen who are here.

Mr. CLARK. Mr. Chairman, will you allow me to make a suggestion?

The CHAIRMAN. Certainly.

Mr. CLARK. If these lumbermen could pick out two or three representative men that could talk as well as Mr. Hines does (if they have any left), it would shorten the process very materially.

Mr. HINES. Thank you very much. That is quite a compliment.

The CHAIRMAN. Of course it would. That suggestion has been made to all parties heretofore, weeks in advance or days in advance.

Mr. CLARK. If they would hold a convention out here, it would be a good thing.

Mr. BOUTELL. I would like to suggest that we hear Mr. Hines's interesting statement and make memoranda of anything we want to ask, and ask him questions when he finishes.

Mr. HINES. I shall be very glad, indeed, to answer them.

The CHAIRMAN. I shall be glad if the committee will do that. I have suggested that once or twice, but it did not seem to work. I again request the committee not to interrupt Mr. Hines until he gets through with reading his statement.

Mr. HINES. Thank you.

There are in the neighborhood of 100,000 men employed in Michigan, Wisconsin, Minnesota, and Iowa. It would be safe to say that these would represent average families of five persons, not to take into account the various families that are indirectly dependent upon this industry in these towns, all of whom would be directly affected by anything that would affect the prosperity of our industry. Taking into account the tremendous buying power of our farm products of this army of people, and comparing the tax of about 12 per cent on lumber with the average of over 40 per cent on other articles, is this fair treatment of this industry, as against steel, which enters in a great competitive way into building material?

We wish to call your attention to the purchasing power of the farmer to-day. Our industry is the largest customer he has. A bushel of wheat, oats, or corn will buy more lumber at the present prices than during any period in the past twenty years. Therefore the American farmer has no ground for complaint. In 1906, on September 15, cash wheat brought in Minneapolis 74½ cents; in 1907, \$1.07½; in 1908, \$1.25—almost 100 per cent increase in a year. Corn brought 44 cents, 59½, and 78½ cents—about 75 per cent advance. Lumber has had no such comparative advance; yet everything that enters into the cost of the finished product we have been compelled to contribute to the farmer to sustain these prices. We can not buy a team of horses for less than \$500. We are paying relatively the

highest prices in twenty years for wheat, corn, and oats. We are paying to the railroad companies their present schedule of freight rates, and our industry is about the greatest commodity they handle. They are asking us to pay them more on account of the higher prices they are paying for all materials. Consider, therefore, taking off the duty and further encouraging competition with Canada. Where would our industry land? Would not the decrease in our business bring about a greater decrease in the purchasing of farm products? Therefore, in place of any reduction, have we not given you substantial reasons, which can not be questioned, that lumber must have protection? And is it not fair to increase the present duty if any changes in the general tariff schedule are to be considered, in order to protect this great industry and put it on a par with other great protected industries that enter into competition with it?

Some gentleman spoke about the cutting off of our forests having a tendency to affect the water supply. In the years 1870 and 1880 occurred the greatest floods that we have had in the Mississippi River—greater than we have had at any period since that time. So that contention, I think, is not well founded.

At the present time I have very reliable authority to the effect that Canada is considering putting an import duty on any yellow pine we ship into their country. The lumbermen are going to petition Parliament to have the importation of our pine stopped. So you can appreciate the position that Canada is taking to protect her own industries.

There has been some question made here as to an association of lumbermen, or a so-called "lumber trust." I have just read here from reliable statistics that there are 28,000 mills in the United States. We are direct competitors—the South against the West, the West against the North, and the East against the Middle West. There are absolutely different interests, different ownerships, and the mills are direct competitors. So there is no such thing, or even a probability of any such thing being considered, as a lumber trust. If lumber from one section gets too high, it simply opens the markets for the lumber from other territories to come in. If we get yellow pine too high, it opens the market for the hemlock from Wisconsin, Pennsylvania, and Michigan. If we get hemlock too high, it opens the yellow-pine district. If in the States of Kansas, Nebraska, and Dakota we get lumber too high, it opens the great Pacific coast district, and so it goes. If you get lumber too high in New York City, that opens the market to lumber from North Carolina or Nova Scotia.

Now, gentlemen, if there are any other questions that you would like to ask, I shall be very glad indeed to try to answer them.

MR. UNDERWOOD. I should like to ask you some questions about this freight question. You state that the cost of delivering lumber in the rough at Buffalo is \$1.75. The duty on lumber in the rough at present is \$1 a thousand. That would be \$2.75. Did I understand you to say that from the mills in Wisconsin it costs \$7 to deliver it in Buffalo?

MR. HINES. In the rough, it costs about \$7 in Buffalo from Wisconsin.

MR. UNDERWOOD. That gives the Canadian lumber in Buffalo an advantage of \$4.25?

Mr. HINES. In freight rates; yes, sir.

Mr. UNDERWOOD. In freight rates, with the duty added to the Canadian lumber?

Mr. HINES. Yes, sir.

Mr. UNDERWOOD. At present, then, in Buffalo the Canadian mills control that market, do they not?

Mr. HINES. No, sir; not entirely. They are shipping a great deal of lumber into Buffalo.

Mr. UNDERWOOD. Can the manufacturer in Wisconsin undersell the Canadian manufacturer to the extent of \$4.25?

Mr. HINES. Certain kinds of lumber come from this country.

Mr. UNDERWOOD. I am talking about lumber in the rough now.

Mr. HINES. I am going to explain. Certain kinds of lumber come in. I have seen certain kinds come in from Canada.

Mr. UNDERWOOD. Referring to this lumber in the rough, is there any of that shipped from Wisconsin to Buffalo?

Mr. HINES. Yes, sir; there is a great deal of lumber shipped from the Cloquet district and the Duluth district.

Mr. UNDERWOOD. And the difference in freight rates and the duty amounts to \$4.25 in favor of the Canadian man, and yet you compete with him at Buffalo?

Mr. HINES. Let me explain: The lumber from Georgian Bay pays a duty of \$2, and \$1.75 freight. That is \$3.75.

Mr. UNDERWOOD. Wait a minute. Lumber in the rough only pays \$1 duty.

Mr. HINES. No; \$2.

SEVERAL GENTLEMEN. Two dollars.

Mr. UNDERWOOD. I thought the duty on rough lumber was \$1.

Mr. HINES. No; \$2.

Mr. RANDELL. You are talking about logs.

Mr. UNDERWOOD. All right—\$2. There is where I made the mistake. That is \$3.25. That is a difference in favor of the Canadian lumbermen of \$3.25 in Buffalo?

Mr. HINES. Yes, sir.

Mr. UNDERWOOD. You are able to meet that difference in freight rates and compete there?

Mr. HINES. We have to equalize the difference or lose the business. The dealer that is buying in Buffalo, having no interest in stumpage, would just as soon buy timber from Canada as he would from any part of the United States.

Mr. UNDERWOOD. Certainly; I understand that; but I want to know whether you can go into that market and compete under those circumstances?

Mr. HINES. We are obliged to or lose the trade.

Mr. UNDERWOOD. You would not try to hold onto the trade if it was not profitable, would you?

Mr. HINES. Why, certainly; we have to equalize things. In some places the trade is less profitable than in others.

Mr. UNDERWOOD. But you are not attempting to hold on to a trade where you get no profit out of it at all?

Mr. HINES. Oh, no; on certain kinds of lumber we can.

Mr. UNDERWOOD. There is a zone that it will cost the Canadian manufacture of lumber as much to go into as it costs you, by reason

of his paying freight rates after he lands on the American side, is there not?

Mr. HINES. Well, take Pittsburg, for instance.

Mr. UNDERWOOD. There is a zone of that kind, I presume. Please make a comparison there.

Mr. HINES. The rate from Cleveland to Pittsburg, I think, is 6 cents per hundred pounds. Therefore it costs a dollar and a half per thousand more to get that lumber from Cleveland, which would be added to the \$3.75 duty and lake freights, making it about \$5.25 to put it in Cleveland. To ship yellow pine, for instance, from the South in the rough would cost you about \$11 a thousand in the same market. To ship that same lumber from Wisconsin in the rough would cost you about \$7 per thousand at Pittsburg.

Mr. UNDERWOOD. Therefore, at the Pittsburg market both the Canadian lumber and the Wisconsin lumber have an advantage over the southern lumber by reason of the freight rates, to what extent?

Mr. HINES. On rough lumber, \$11 as compared with about \$6.25 from Canada, as well as from Wisconsin.

Mr. UNDERWOOD. When we get farther south, or, say, southwest—because that is nearer—

Mr. HINES. St. Louis, for instance?

Mr. UNDERWOOD. Toward St. Louis—where do you first reach the zone where the freight rates equalize the Canadian lumber?

Mr. HINES. St. Louis is the nearest point. For instance, the rate from St. Louis to Chicago is 10 cents. It would cost, therefore, \$2.50 a thousand to ship the lumber from Chicago to St. Louis. That would make it \$5.25 per thousand from Canada. The rate from the South to St. Louis is, I think, 18 cents on rough lumber. That would bring it to \$8.10.

Mr. UNDERWOOD. Eight dollars and ten cents from the South, and how much from Canada?

Mr. HINES. Seven dollars and twenty-five cents from Canada.

Mr. UNDERWOOD. Seven dollars and twenty-five cents from Canada?

Mr. HINES. Plus the duties.

Mr. UNDERWOOD. With the duty added?

Mr. HINES. Included; yes, sir.

Mr. UNDERWOOD. When you get to the west and the southwest, where do you strike the zone where they sell in competition with you?

Mr. HINES. At Kansas City it would be in favor of the yellow pine, on account of the rate from Chicago being, I think, 20 cents.

Mr. UNDERWOOD. How much in favor of the yellow pine?

Mr. HINES. About a dollar.

Mr. UNDERWOOD. A dollar. Now, if you go south and southwest of Kansas City you get to a point where the Canadian lumber can not go into that territory in competition with the southern pine at all?

Mr. HINES. That is right.

Mr. UNDERWOOD. Whether the duty is on or off?

Mr. HINES. That is right.

Mr. UNDERWOOD. So that the territory to the south and west of Kansas City would not be affected by this removal of the duty on lumber at all?

Mr. HINES. That is correct.

Mr. UNDERWOOD. But to the north and along the border line it would?

Mr. HINES. And that is the great consuming district. For instance, take Chicago and Detroit and Cleveland and Buffalo—there is a tremendous consuming district for building material, besides having tremendously large box factories.

Mr. UNDERWOOD. Is there much southern pine sold in that north-western territory above Kansas City?

Mr. HINES. Yes, sir; there is. The yellow-pine manufacturers have been endeavoring to enlarge their field, which they are compelled to do by the enormous increase in manufacture in the South.

Mr. UNDERWOOD. Do they compete with the Canadian lumber in that field on the same basis? Or is not the yellow pine sold there for one purpose and the Canadian lumber for another?

Mr. HINES. No; for instance, in the case of box lumber the South has been putting box lumber into Chicago during this late depression as low as \$11 per thousand, dressed on one side. That netted the mills about \$5 a thousand in Mississippi and Louisiana and Texas.

Mr. CLARK. Mr. Hines, did you ever know anybody that was dealing in stumpage to go into bankruptcy or into the hands of a receiver?

Mr. HINES. Yes; I have known some people to do that.

Mr. CLARK. That was through their drunkenness or mismanagement, was it not?

Mr. HINES. Well, no; miscalculation.

Mr. CLARK. When was it?

Mr. HINES. Oh, I have known a number of men in my experience that did not make a success of the lumber business, like many other kinds of business.

Mr. CLARK. Now, I want to ask you several questions. What is the rate of taxation in Mississippi?

Mr. HINES. I was just trying to think of that. The timber was valued at \$25 per acre—but while I want to make an illustration, I can not recollect what the rate was, but it amounted on our tract of timber of two hundred and some thousand acres to pretty close to \$50,000.

Mr. CLARK. On that point I wanted to ask you two questions, one following on the other. I want to know the rate of taxation in Mississippi, and how much lumber there is to the acre in Mississippi. If you do not know that, put it in your brief.

Mr. HINES. Yes; I can do that. The amount in Mississippi will vary all the way from 6,000 to 15,000 feet to the acre, depending on the location.

Mr. CLARK. I wish you would put that information in your brief.

Mr. HINES. Yes; I shall be pleased to do so.

Mr. CLARK. All we want is information. Do you say there have been no floods in the Mississippi River since 1900?

Mr. HINES. I say the greatest floods occurred in 1870 and 1880; at no time since then has the water been so high.

Mr. CLARK. Do you not know that there have been immense floods in the Mississippi in the last four years?

Mr. HINES. Oh, there have been floods; but the water has not been as high as during those periods.

Mr. CLARK. Was it not higher, as a matter of fact, year before last than it has been within the memory of the oldest inhabitant?

Mr. HINES. Not as I understand it; no.

Mr. CLARK. That is the truth about it, however.

Mr. HINES. I understand that the greatest floods were in 1870 and 1880. We have a gentleman here who lived at Clinton for thirty years, and he has given me those figures as being the absolute facts. He says he can prove that they are the facts.

Mr. CLARK. The river got over the levees and washed out the lands over in western Illinois, year before last, in places that had never been bothered in the last fifteen years.

Mr. HINES. I shall be glad to try to give you the exact figures on the depth of the water.

Mr. CLARK. You are talking about the headwaters of the Mississippi. They do not amount to anything.

Mr. HINES. No; I am speaking of the water on the basis of Clinton, Iowa.

Mr. CLARK. That is away up the river, too.

Mr. HINES. That is what we took as the basis.

Mr. CLARK. You are both a manufacturer of lumber and an owner of standing timber?

Mr. HINES. Yes, sir.

Mr. CLARK. What lumber and timber companies do you belong to?

Mr. HINES. I am the president of the Edward Hines Lumber Company, of Chicago.

Mr. CLARK. Is that the only one?

Mr. HINES. We have a number of subsidiary companies. We have the North Wisconsin Lumber Manufacturing Company, of Hayward, Wis. We have the Iron River Lumber Company, of Iron River, Wis. We have the White River Lumber Company, of Mason, and we have a number of institutions in Mississippi.

Mr. CLARK. Do you belong to what is popularly known among lumbermen as the "Weyerhaeuser group?"

Mr. HINES. Mr. Weyerhaeuser is interested in our company; yes, sir.

Mr. CLARK. How much stumpage do Weyerhaeuser & Co. own?

Mr. HINES. I have no reasonable basis of calculation, except that I should say that Mr. Weyerhaeuser, to my personal knowledge, is interested in probably thirty to forty mills; but in none of them has he the majority interest.

Mr. CLARK. I know; but how many acres of stumpage do Weyerhaeuser & Co. own?

Mr. HINES. Oh, Weyerhaeuser & Co. own very little. The different companies that he has stock in own, I presume—well, I could not say in definite terms; I presume somewhere about fifteen or twenty billion.

Mr. CLARK. Fifteen or twenty million acres?

Mr. HINES. Fifteen or twenty billion—no, sir; I refer to stumpage.

Mr. CLARK. As a matter of fact, do they not own about a million and a half acres of stumpage?

Mr. HINES. I could not say how many acres. We generally judge timber more by the stumpage quantity.

Mr. CLARK. What would you say to the proposition of a million and a half acres of stumpage?

Mr. HINES. I can not give a definite answer, because I do not know.

Mr. CLARK. How long have you been in the lumber business, Mr. Hines?

Mr. HINES. About thirty years.

Mr. CLARK. And you have been owning timber how long?

Mr. HINES. About fifteen years.

Mr. CLARK. Weyerhaeuser and yourself and the correlated companies bought a good deal of that stumpage as low as 15 cents a thousand, did they not?

Mr. HINES. No; we never bought any as low as that.

Mr. CLARK. Do you know whether Weyerhaeuser got any of his present holdings at 15 cents a thousand?

Mr. HINES. I do not know that; no, sir. I know our company never has bought any as cheap as that.

Mr. CLARK. What was the lowest stumpage when you first started in business yourself?

Mr. HINES. The cheapest stumpage our company bought, I think, was pine stumpage at about \$3 a thousand—yellow pine at about from \$2 to \$4.

Mr. CLARK. The lowest stumpage twenty-five years ago was \$3 a thousand?

Mr. HINES. Fifteen years ago.

Mr. CLARK. Well, fifteen years ago. Was it \$3 a thousand then?

Mr. HINES. Pine stumpage; yes, sir.

Mr. CLARK. How much is it now?

Mr. HINES. Of course, that stumpage has been cut off; so it would be pretty hard to say what that stumpage would be worth in that particular locality at the present time. But I should judge, in a general way, about from \$6 to \$9 per thousand.

Mr. CLARK. That is quite a respectable kind of a profit if you never made any more.

Mr. HINES. Are you figuring the gross profit or the net profit now?

Mr. CLARK. Both ways. It finally comes to the same thing.

Mr. HINES. No; you have to add to that, for a period of fifteen years, interest at the rate of 6 per cent. That would make about 200 per cent. Then you have to add your taxes. When you get all through you will not have such a tremendous profit.

Mr. CLARK. It is only in the last three or four years that the people of Minnesota and Wisconsin and Michigan and the Montanas woke up to the fact, just through the Granger movement and the La Follette agitation, that this timber ought to be taxed at any reasonable rate, was it not?

Mr. HINES. Oh, that is a mistake. Long before La Follette was elected in Wisconsin at all we were taxed on our timber. I know that to be an absolute fact.

Mr. CLARK. I know you were taxed; but you were taxed at a very low rate, were you not?

Mr. HINES. No; on the comparative market price at that time, which was small.

Mr. CLARK. Where are your timber lands located?

Mr. HINES. We have timber lands located in Wisconsin, a little in Minnesota, and also in Canada and in Mississippi.

Mr. CLARK. What is the rate of taxation per hundred, if you know, in Wisconsin? That is the easiest way to get at it.

Mr. HINES. In Wisconsin they assess your timber, get at the exact quantity as nearly as it is possible to estimate it, and assess the stumpage at all the way from \$7 to \$9 per thousand. The rate in Wisconsin

sin ranges from 3 to 4 per cent, which would make it cost you from 25 to 40 cents per year to carry it.

Mr. CLARK. You do not mean to say that the rate of taxation in Wisconsin is 3 or 4 per cent on the hundred?

Mr. HINES. I do, absolutely. We have paid it.

Mr. CLARK. What is this stumpage that you bought at \$3, you say, fifteen years ago, worth now?

Mr. HINES. I think the same stumpage to-day would bring from \$7 to \$9 a thousand if it was not cut.

Mr. CLARK. And how much is it worth per acre?

Mr. HINES. Stumpage in Wisconsin we do not judge by the acre; we estimate the land. It will vary a great deal. We base it on the amount of stumpage, not on the number of acres.

Mr. CLARK. Another thing. Is it not generally conceded among lumbermen, when you talk among yourselves, that the growth of the timber fully compensates for the interest and the taxes and the taking care of it?

Mr. HINES. No; it is not. For instance, last year we had considerable timber burned up by the fires.

Mr. CLARK. Oh, I know; but that is one of the accidents.

Mr. HINES. Yes; but those are things that we must take into account.

Mr. CLARK. I understand that.

Mr. HINES. Another thing is the wind that blows our timber down. Another thing is overripe timber that ought to be cut. So I would not agree with you on the question of interest and taxes being taken care of by the growth. I do not believe it.

Mr. CLARK. Does not the growth almost compensate, then, for the interest and taxes?

Mr. HINES. No; on certain kind of timber it actually does not. Possibly it might on some kinds of young timber.

Mr. CLARK. How much standing timber is there in the United States?

Mr. HINES. That is a matter of guesswork, to be perfectly frank.

Mr. CLARK. But you lumbermen have evidently worked on that proposition. How much is there?

Mr. HINES. No; we have had Mr. Pinchot's estimates or calculations. We have had other government statistics, too; but I do not believe that any reliable statistics of the timber in the United States exist to-day.

Mr. CLARK. Do you know what Pinchot puts it at?

Mr. HINES. I have forgotten the exact figure.

Mr. CLARK. Fourteen hundred billion feet. What is the amount of the annual cut in the United States?

Mr. HINES. About forty billions.

Mr. CLARK. If Pinchot is right on his estimate of the lumber, then there is not enough lumber in the United States to last over a generation?

Mr. HINES. I heard twenty-five years ago that in twenty-five years we would not have any timber in the United States; but to-day, apparently, the figures are just as large as they were at that period.

Mr. CLARK. But then it was guesswork, and now it is the scientific work of this administration.

Mr. HINES. I do not think any figure has been prepared based upon reliable statistics.

Mr. CLARK. If Pinchot is right, and there is only fourteen hundred billion feet in the United States, and you cut forty billion a year, it will last a little over thirty years; will it not?

Mr. HINES. I think that on the basis of cutting forty billion a year there is a great deal more than fourteen hundred billion feet of timber in the United States.

Mr. CLARK. What makes you cut saplings up there? Why do you not let them grow?

Mr. HINES. They could not grow.

Mr. CLARK. They could not?

Mr. HINES. No.

Mr. CLARK. For what reason?

Mr. HINES. The fire the next year would burn them down or they would blow down.

Mr. CLARK. The legislature ought to pass a law compelling you to burn the tree tops up.

Mr. HINES. That would not interfere with these saplings being blown down.

Mr. CLARK. I know; but while it would not interfere with the wind blowing down the saplings, that destruction must be a very small per cent of the amount that is destroyed by these careless fires. What was the total consumption of timber for all purposes in the United States in 1907?

Mr. HINES. The amount cut was about forty billions, and the consumption would be approximately 75 per cent of that amount.

Mr. CLARK. Why, the Forestry Bureau estimates it at 150,000,000,000 feet.

Mr. HINES. Well, here are the figures as close as we can get them, showing the amount produced in 1907 as 40,000,000,000 feet.

Mr. CLARK. That was the amount that was cut into lumber?

Mr. HINES. Yes.

Mr. CLARK. You do not think the United States has an inexhaustible supply of timber, do you?

Mr. HINES. No; I would not say it was inexhaustible; but based on the amount we are cutting to-day I think we have many more years ahead of us than the report there shows.

Mr. CLARK. Instead of this business of planting trees, why not try to save some that we have by letting in this Canadian lumber? And if they want to denude their forests, why not let them go?

Mr. HINES. One illustration that I can give you is, I think, a reasonably good answer to your question. The fact that in Canada on 500,000,000 feet we pay \$300 a year tax, while on the same quantity in this country we pay about \$90,000 a year tax, makes it impossible to hold that timber in this country and pay that amount of taxes per annum. In a very few years it would be too costly to be sold.

Mr. CLARK. Is the lumber output, if you want to call it that, greater in the United States now than it was, for instance, in 1897?

Mr. HINES. No, sir.

Mr. CLARK. Is it smaller?

Mr. HINES. It must necessarily be smaller by the amount that is cut.

Mr. CLARK. You have spoken about freight rates to St. Louis. Why do they not raft that lumber down to St. Louis, as they used to do years ago?

Mr. HINES. Where? Down the Mississippi River?

Mr. CLARK. No; why do they not raft it down from Minnesota and Wisconsin and that country up there, where they had this white pine?

Mr. HINES. Because they found it more profitable to build mills nearer to the stumpage, and to save the off haul.

Mr. CLARK. Can they not raft the lumber down as well as the logs?

Mr. HINES. It has not been found as practical as shipping it by cars direct.

Mr. CLARK. It is surely cheaper, is it not?

Mr. HINES. That is quite a question, about its being cheaper.

Mr. CLARK. You speak of Kansas City being the standard of this yellow-pine industry. As a matter of fact, Kansas City is closer to the yellow pine itself than any other place north of the extreme southern cities, is it not?

Mr. HINES. Yes, sir.

Mr. CLARK. It is closer than St. Louis?

Mr. HINES. Yes, sir.

Mr. CLARK. And that is the reason it is cheaper in Kansas City than it is in St. Louis, naturally?

Mr. HINES. Why, naturally the freight rates are less, and therefore the delivered price is less.

Mr. CLARK. What element do you say has caused this increase of \$10 a thousand on lumber in the last ten or twelve years? That is, counting 1906 as the maximum?

Mr. HINES. What particular kind of lumber are you referring to?

Mr. CLARK. I am referring to any sort that you use to put in houses.

Mr. HINES. I would not say that all kinds of lumber are \$10 a thousand higher.

Mr. CLARK. It has been testified here, I think, by a witness, that that was about the average up until the price of lumber began to fall.

Mr. HINES. I do not think that that question was thoroughly understood, then. They may have taken possibly the one item of white pine. Yellow pine certainly is not \$10 higher.

Mr. CLARK. Yellow pine never figured very much commercially until recently, did it?

Mr. HINES. Oh, yellow pine is used very largely in this country. Not right now, but at a comparatively recent time, yellow pine cut quite a big figure even in places as far south as Missouri. It has been largely used for the last five or ten years.

Mr. CLARK. The price of white pine has increased?

Mr. HINES. Oh, yes.

Mr. CLARK. What is the reason for that increased price of white pine?

Mr. HINES. Well, you have to go farther away for it. There is the question of greater railroad transportation and the question of a 100 per cent advance in labor in the woods alone in that period. That is one item.

Mr. CLARK. It goes back to the question of stumpage, does it not?

Mr. HINES. There is the one item of 100 per cent advance in labor in the woods and the question of supplies—corn, oats, and wheat. There is that item of 100 per cent. The great question in connection with lumber is the question of labor and supplies. It constitutes 75 per cent of the cost of lumber—not stumpage. There has been some advance in stumpage.

Mr. CLARK. If the labor cost and all the other costs that enter into what it finally costs you are as great in Canada as in the United States, what difference would it make to you whether the Canadian lumber came in free or came in with a tariff on it?

Mr. HINES. I just explained that to you. I explained that on a mill cutting 30,000,000 feet per year the tax here alone would be \$30,000 in excess of what it would be in Canada. That is \$3 as against \$10.

Mr. CLARK. You do not mean that anybody on earth taxes lumber in the tree at \$3 a thousand feet, do you?

Mr. HINES. I just gave you the absolute figures. We would be obliged to pay about \$90,000 taxes per annum—which would come to about \$3 a thousand—on a tract of 500,000,000 feet in Wisconsin. In Canada, on the same tract, the tax is \$300.

Mr. CLARK. That \$300 a thousand on lumber at the present rate, would be 25 or 30 per cent for taxation, would it not?

Mr. HINES. To tax the entire tract of 500,000,000 feet will add \$3 a thousand. They pay \$300.

Mr. CLARK. How much does that lumber sell for?

Mr. HINES. In Canada or in Wisconsin?

Mr. CLARK. No; I mean your lumber.

Mr. HINES. In Wisconsin?

Mr. CLARK. Yes.

Mr. HINES. Mill-run stock this year would average about \$18 at the mill.

Mr. CLARK. I think the impression that was left on the mind of every member of this committee that heard your statement was that the tax was \$3 a thousand on the lumber in the tree.

Mr. HINES. Not in the tree. I tried to say it very plainly, that the tax on the stumpage was on the basis of \$3 on the amount produced that year, or \$90,000.

Mr. CLARK. Are you not undertaking in your statement to load all of the taxation of all the timber land that you have cut on to your timber cut for a particular year?

Mr. HINES. No; each year takes care of its own particular tax.

Mr. CLARK. There is not a people under the sun who would stand a tax of \$3 on \$18 worth of stuff.

Mr. HINES. Those are the facts in Wisconsin and Minnesota. It is not theory. It is a fact, I am sorry to say.

Mr. CLARK. Do you want to be considered as saying that on \$18 worth of lumber you pay \$3 tax?

Mr. HINES. I absolutely want to make that statement.

Mr. CLARK. Well, I have no objection to it.

Mr. HINES. That on a basis of 500,000,000 feet of stumpage, with the plant cutting 3,000,000 a year, the tax will approximate \$3 a thousand per annum.

Mr. CLARK. How much is it on \$100—the tax you pay?

Mr. HINES. I figure it on a 3,000,000 proposition, at \$90,000.

The CHAIRMAN. Is that the rate of taxation in Wisconsin?

Mr. HINES. That is the average in Washburn, Washington, and Bayfield counties.

Mr. CLARK. It is a large amount.

Mr. HINES. It seems to be large, but it is the fact.

Mr. CLARK. What part of the production of your mills is this low-grade lumber, as you call it?

Mr. HINES. About 60 per cent.

Mr. CLARK. Is it not about one-fifth? Is it not 20 per cent instead of 60 per cent?

Mr. HINES. Oh, no. The kind that is used for boxes is about 60 per cent.

Mr. CLARK. What is the low-grade product of the Canadian mills? Is there any difference between the amount of the low-grade product in Canada and in the United States?

Mr. HINES. Not if they cut the lands clear; no.

Mr. CLARK. That is all I care to ask.

Mr. HILL. You are the largest distributors of lumber in the United States, are you not?

Mr. HINES. I think we are; yes.

Mr. HILL. And in naming your prices have you taken into consideration at all the spruce from the eastern provinces and Maine and along the Atlantic coast?

Mr. HINES. We do not strike the Atlantic coast.

Mr. HILL. In making your prices you do not take into consideration the distribution of North Carolina on the Atlantic coast?

Mr. HINES. No.

Mr. HILL. You say that the price of lumber has not increased as rapidly as the price of farm products. You must base your estimate on your immediate vicinity, about your point of distribution, and not as covering the whole United States?

Mr. HINES. I aimed to base it on my own knowledge of our particular territory.

Mr. HILL. If the fact is different, it would alter your view as to the question of retaining the duty of \$2 on lumber, would it not?

Mr. HINES. It would depend somewhat on what the general situation might be.

Mr. HILL. I will read a statement or two from the United States statistics, given by the Bureau of Labor this year on that subject, and then will ask you a question: The advance in the price of farm products. Taking the average prices from 1890 to 1900 as the basis, at 100 per cent, the average price increase of farm products in 1907 was 37.1 per cent; in food products, 17.8 per cent; in clothing and cloth, 26.7 per cent; in fuel and lighting, 35 per cent; in metals and implements (much of which you use in manufacturing lumber), 43.4 per cent; in drugs and chemicals, 109.6 per cent; in house-furnishing goods, 18.5 per cent; in miscellaneous articles, 27.1 per cent; and the average for the whole of that, leaving out lumber, is 29.6 per cent. And the increase in the price of lumber for the same period was 46.9 per cent higher than the highest item and about 20 per cent higher than the whole of them.

Mr. HINES. Is that the price of lumber at any particular place?

Mr. HILL. I am giving you the price as stated—just as it states the other items—covering the entire United States, prepared and pub-

lished by the Bureau of Statistics this year. They will very gladly furnish you with information on that subject.

Mr. HINES. Is it also stated in regard to whether that is simply the price of the manufactured product, or the net stumpage?

Mr. HILL. Lumber and building materials is the item, and I have read the other items. Does that affect your statement at all?

Mr. HINES. No; for in this article I am not quite clear whether that is an advance in net stumpage or whether it is the lumber in the finished product.

Mr. HILL. It is lumber and building materials. Stumpage would not be building material.

Mr. HINES. If it is, I offer this explanation: I just stated that there was the question of the payment of labor in the woods, which in that period has increased 100 per cent. That would necessarily increase the price of lumber, but it would not necessarily increase the price of the net stumpage.

Mr. HILL. It would not increase the cost of the other things that you stated had advanced far more than the lumber had—iron, steel, and things of that kind. And belting, I think you said.

Mr. HINES. Yes.

Mr. HILL. And clothing, etc. Lumber having advanced far beyond all of these items—being the highest advance of any—would that affect your views as to the advisability or nonadvisability of lowering or taking off the duty on lumber?

Mr. HINES. It would not. I would think still that lumber should have protection, because labor cuts a tremendous figure in the price of the lumber—about 75 per cent.

Mr. FORDNEY. I would like to ask you this: If the duty on lumber is taken off, what, in your judgment, would be the effect on the price of lumber in this country?

Mr. HINES. I think it would give an opening for Canada, for its tremendous amount of low-grade lumber. Our low-grade lumber here can not stand the greater cost of transportation. In Canada they export largely their good lumber to England, and it leaves a large amount of low-grade lumber to find a market in this country, which would come in direct competition with ours. It would compel us to either leave in our woods a large amount of stock which we could not afford to take out, or else—

Mr. FORDNEY. You would be obliged to leave that cull stuff in the woods?

Mr. HINES. Yes.

Mr. FORDNEY. You own some timber in Canada, do you not?

Mr. HINES. Yes, sir.

Mr. FORDNEY. Right in the face of that, I want to say that you are a fair fellow. You are the first man who has appeared before the committee, who owns Canadian stumpage, who does not want the duty removed from lumber.

Mr. HINES. Thank you. We want to be fair.

Mr. FORDNEY. The gentleman from Missouri asked you why you did not raft the lumber down the Mississippi River, as was done many years ago. If you attempted to raft it down the river—kiln-dried lumber—it would be apt to absorb some of the moisture, would it not?

Mr. HINES. It certainly would. It would not be in condition for the market after it arrived at its destination.

Mr. FORDNEY. It is impossible to do it, under the conditions now?

Mr. HINES. It is.

Mr. FORDNEY. That could not be done any more, could it?

Mr. HINES. No; it has been given up.

Mr. HILL. Twenty-five years ago Clinton, Iowa, was a large manufacturing point?

Mr. HINES. Yes.

Mr. HILL. W. J. Young, and Mr. Lamb, and others——

Mr. HINES. Yes; I know of them.

Mr. HILL. That has all disappeared?

Mr. HINES. Yes.

Mr. HILL. Why is that?

Mr. HINES. The same interests put their money into mills that were nearer to the point of the timber in order to cheapen the cost of transportation.

Mr. HILL. Could not that cheaper transportation be obtained by floating the logs?

Mr. HINES. Well, there would be the loss of the logs and the deterioration of the sap, etc.

Mr. HILL. I know a man who, some years ago, bought from Mr. Harvey, in Chicago, four carloads of 12, 14, and 16 foot beveled siding, absolutely clear, at \$24 a thousand. Can it be produced now at all?

Mr. HINES. Yes; we would be glad to furnish it at that price. Where was that delivered at \$24?

Mr. HILL. That was in New England.

Mr. HINES. The freight to New England is about 35 cents. It would cost about \$2.50 a thousand to deliver it, and our price to-day at the same place would be \$28 or \$29 a thousand.

Mr. CLARK. If you really wanted to furnish lumber cheap to the man who builds houses—the small fellow—you would raft this lumber down the Mississippi River in the rough and then finish it at St. Louis or at some point of distribution down there, would you not?

Mr. HINES. No; I would not.

Mr. CLARK. What is all this hullabaloo for, then, about cheap water transportation?

Mr. HINES. Because, in the first place, in shipping that for immediate use in the houses I would dress it at the point where it is shipped, in order to save the freight rate. Lumber that is dressed pays one-third of the freight rate that undressed lumber pays.

Mr. CLARK. Now, this immense amount of land that is owned by Mr. Weyerhaeuser and his partners, including yourself——

Mr. HINES. I would like to say that I have no interest in the Weyerhaeuser company.

Mr. CLARK. I thought you stated a while ago that you were correlated with Mr. Weyerhaeuser.

Mr. HINES. He is a stockholder in my company, but I am not necessarily a stockholder in many of the interests that he has at all.

Mr. CLARK. That is, if Mr. Weyerhaeuser is a stockholder in one of your companies, that is different from your being a stockholder in one of his?

Mr. HINES. Unfortunately for me, it is. [Laughter.]

Mr. CLARK. Do you know whether Mr. Weyerhæuser bought 5,000,000 acres of the land that those interests have at \$5 and \$6 an acre?

Mr. HINES. They bought a large tract of timber from the Northern Pacific in 1898, but what the price was I do not know.

Mr. CLARK. Did you ever hear what the price was?

Mr. HINES. I do not think so.

Mr. CLARK. Has it not always been understood among lumbermen that he got a remarkable bargain by buying at \$5 and \$6 an acre?

Mr. HINES. I would like to say that at that time they had been trying to sell that land for a long period. At that time it did not seem to be remarkable; but since lumber has advanced, of course, it seems to have been a better trade.

Mr. CLARK. Was it not such a remarkable bargain that there was much newspaper talk of there being something crooked in the way he came to make the bargain?

Mr. HINES. I never heard anything of that kind.

Mr. CLARK. How much lumber is there on an acre, just roughly? I do not expect you to know exactly, or anybody else; but how much lumber is there, roughly, on an acre of this Weyerhæuser timber land in Oregon, Washington, and Idaho?

Mr. HINES. I think it runs all the way from twenty to fifty thousand to the acre, in a general way.

Mr. CLARK. And the stumpage on it is how much now?

Mr. HINES. The stumpage would be all the way to-day from 50 cents to \$1.50.

Mr. CLARK. Is not the stumpage \$3 a thousand?

Mr. HINES. Oh, no; that is a mistaken idea entirely.

Mr. CLARK. Do you suppose that you could manage to sell some at 50 cents stumpage?

Mr. HINES. I know we have been offered within a year some of the Oregon stumpage at those figures.

Mr. CLARK. But that is away off where you can not get to it, is it not?

Mr. HINES. No. The tract of the Weyerhæuser people in some places is off miles and miles from a railroad.

Mr. BOUTELL. Now, on this very important question of preserving our forests, I would like to ask whether the natural supply of lumber for Canada is not the United States, and is not the natural supply for the United States Canada? In other words, if there was not a stick of lumber growing in Canada to-day, would not its natural source of supply be the United States?

Mr. HINES. Oh, yes.

Mr. BOUTELL. And if there was not a stick of lumber growing in the United States, its natural source of supply would be Canada?

Mr. HINES. Certainly.

Mr. BOUTELL. In reference to preserving the forests, then, must we not take the stumpage of Canada and the stumpage of the United States as an entirety?

Mr. HINES. That would be the broad way of looking at it. I think so.

Mr. BOUTELL. Mr. Clark, in questioning you on this point, evidently with the view that the tariff was helping to preserve the United States forests, used this expression: "If Canada wishes to

denude her forests, why let it go." Now, if Canada completely denuded her forests for the benefit of Canada and the United States, then Canada in turn would draw all her lumber supply from the United States?

Mr. HINES. Yes; and deplete our country.

Mr. BOUTELL. So that, looking ahead, taking a broad view for the future generations, which this preservation of forests contemplates, is it material whether we denude all of the Canadian forests first, and then denude all of the United States forests, or whether we denude them both separately?

Mr. HINES. I think the latter plan would be the more advantageous.

Mr. BOUTELL. So that these gentlemen who are interested in the preserving of the forests must treat the Canadian and the United States forests as an entirety, and conceive some scheme more far-reaching than the tariff for reforestation?

Mr. HINES. Yes, sir.

Mr. BOUTELL. And for replanting, as they have in France, as the trees are destroyed? Is not that true?

Mr. HINES. I think that is the broad way of looking at the question.

Mr. BOUTELL. The whole forests of the United States and Canada must be taken as an entirety?

Mr. HINES. Yes, sir.

Mr. CLARK. Has not the Forestry Division of the Agricultural Department been trying to drive the people in that part of the country into burning this surface stuff in some careful and scientific way to prevent the destruction of the sapling growth that we have been talking about?

Mr. HINES. The lumbermen themselves are careful of the balance of their timber. Those who have the interest of the timber at heart naturally try to preserve it by attending to the burning themselves at certain times of the year, but a great many farmers up in that country who want to clear land will set fire to the timber.

Mr. CLARK. You do not undertake to say that a farmer up there will set fire to timber as valuable as the timber you have been testifying about here, do you?

Mr. HINES. Oh, no; but you spoke about the small saplings and timber of that kind. The farmers place more value on the land for farming than that small stuff amounts to. They go ahead at certain dry times and they endeavor to burn it off. Those fires sometimes catch onto other districts, and that is what causes the fires such as we have had.

Mr. CLARK. You have scalped that place so clean that in what was originally the finest white-pine region in the world you can travel miles and not see enough trees to remind you that there ever was a pine forest there.

Mr. HINES. But in all those districts there are the most beautiful farms in the country. You would not see a tree on them. They have been removed.

Mr. CLARK. You cut saplings now that only make strips 4 inches wide, do you not?

Mr. HINES. We do not cut timber that only makes 4-inch strips. The strips are about 6 inches.

Mr. RANDELL. I understood you to say, in answer to a question put by the gentleman from Alabama, that the question of competition would not reach below Kansas City, with reference to the lumber trade in the Southwest. You do not mean to say that the people who have to build the houses on the farms, on the prairies of the Southwest, would be able to do so as cheaply with the tariff off as they would with the tariff on, do you?

Mr. HINES. Yes; I do.

Mr. RANDELL. In other words, if we have a \$2 tariff, they can build just as cheaply as if we did not have that tariff?

Mr. HINES. In that locality, yes; because the cost of transporting the lumber from Canada to Texas, Missouri, and Kansas would be so great that it would not affect the matter and make cheaper lumber there.

Mr. RANDELL. Do you not know that, not having a tariff, the highest point that the lumbermen could put their prices would be \$2 lower than with the tariff?

Mr. HINES. I am basing my calculations on the present prices of lumber. I say if the duty was taken off to-day, with the present price of yellow pine, they could not afford to ship from Canada to Kansas or Texas for consumption, because the present price of yellow pine is so low in Texas, Missouri, and Kansas, and all that territory, that they could not compete with it.

Mr. RANDELL. Is there reason to believe that the price will not be raised?

Mr. HINES. Oh, of course some conditions may come up—

Mr. RANDELL. Do you not expect it to be raised very shortly, especially if the tariff is left? Do you not expect it to be very much higher?

Mr. HINES. I do not, for this reason. Of course this is in my own judgment, simply. I think there are so many mills in the States of Texas, Louisiana, Missouri, and Mississippi that to-day the production far exceeds the demand in that territory.

Mr. RANDELL. You said there were 28,000—

Mr. HINES. Mills.

Mr. RANDELL. In the United States. You do not mean that each mill has a separate owner, do you?

Mr. HINES. Yes; very largely. I should say that in 80 per cent of the cases they are owned separately and are entirely separate interests, no one mill having any interest in the others.

Mr. RANDELL. If you had to build farmhouses and farms, in building up the prairies of the Southwest, you would just as soon do that with the tariff as without the tariff, would you not—if you had to do it in the next twenty-five years? Would you do it as cheaply with the tariff as without it?

Mr. HINES. If I lived in Kansas, I think I would say yes, for this reason: The present manufacturers in this country being the largest buyers of farm products, if the lumber interest of this country is to go to Canada, you take away from here a tremendous buying power from those very same farmers. For that reason, if I were living in that territory, I would rather have a duty on it and have the lumber business, under that condition, than to have it taken away.

Mr. RANDELL. That is on account of your lumbermen eating so much Kansas corn?

Mr. HINES. Well, they have the horse question, and feed, and everything the farm produces.

Mr. RANDELL. You do not think there would be any limit to the price by taking the tariff off? That would not help to limit the price of lumber on the prairies of the Southwest?

Mr. HINES. I do not think it would affect the prairies of the Southwest at all. It would affect them in Illinois, Pennsylvania, and probably New York and some of the other larger places. It would not affect the Southwest at all. That is my judgment.

Mr. UNDERWOOD. In other words, your idea is that in coal, and to some extent in raw iron ore, lumber, and the heavy materials, there is a zone in which the freight rate limits the sale?

Mr. HINES. Yes.

Mr. UNDERWOOD. And outside of that zone nothing that happens affects it?

Mr. HINES. No; but the zone very largely affects it.

Mr. UNDERWOOD. But where this question would be vital would be the zone that strikes through Kansas City, Kentucky, and Pittsburg—

Mr. HINES. I should say that the zone would be from the Mississippi River on the west and the Ohio River on the south to the Atlantic coast and the Great Lakes on the north.

Mr. UNDERWOOD. That is the zone in which this problem comes up?

Mr. HINES. That is the great market.

Mr. RANDELL. Do you mean to say that if you were the man who furnished the lumber to west Texas, if you were the producer of that lumber, you would just as soon have the tariff off as on?

Mr. HINES. No; I do not. On the contrary.

Mr. RANDELL. If you were the consumer of the lumber, would you not rather have it off than on?

Mr. HINES. I will answer that in this way: All of the lumber that is produced in Texas is not used there. Some of it is used in Chicago.

Mr. RANDELL. Please do not misunderstand me. I am talking about the consumer of lumber, who builds the farmhouses, dwellings, and outhouses on the prairies of west Texas—the consumer.

Mr. HINES. The producer of that lumber sells only a part of the lumber in Texas. The balance is sold as far north as Chicago, and as far east, probably, as Buffalo. You can see cars of lumber in Buffalo and New York every day coming from Texas.

Mr. RANDELL. If lumber can be sent to Buffalo from Texas, why can not lumber from Michigan be sent to Texas?

Mr. HINES. Because the transportation from Canada to Texas is so much higher, proportionately.

Mr. RANDELL. It is a downhill pull all the way on the Mississippi River—unless the water runs uphill.

Mr. HINES. The railroad company does not regulate its rates by "downhill" or "uphill." The rates are regulated by distance.

Mr. RANDELL. Do you mean that we have not as fair a rate?

Mr. HINES. I would not put it in that way.

Mr. RANDELL. Suppose we did have a fair rate. Then you, as a lumber producer, would just as soon have the tariff off as on, would you?

Mr. HINES. Oh, no.

Mr. RANDELL. Then, as a lumber consumer, would you just as soon have it on or off? Which would you prefer?

Mr. HINES. I would prefer in both cases, in all fairness to the farmer in Kansas—

Mr. RANDELL. I am talking about west Texas.

Mr. HINES. I would prefer the duty on, on this article.

Mr. RANDELL. Both ways?

Mr. HINES. Absolutely.

J. A. BROWN, OF NORTH CAROLINA, URGES CONTINUED TARIFF PROTECTION FOR THE LUMBER INDUSTRY.

FRIDAY, November 20, 1908.

Mr. BROWN. Mr. Chairman, I am here, first, as a manufacturer; and I am also representing 2,300 mills in North and South Carolina and Virginia, manufacturing principally what is known as short-leaf pine, or North Carolina pine. The condition that has confronted the manufacturers in that section of the country for the last twelve months has been a deplorable one. Fifty per cent of the mills have been closed down, because they could not operate profitably. Ninety per cent of the output of those mills goes into the Eastern or Middle States' market—into Maryland, Pennsylvania, New York, and the different New England States.

We come directly into competition with the Canadian lumber in the western part of Pennsylvania and New York State, and that is the only thing we fear at all from the Canadian lumber, if the tariff is removed.

I have heard a great deal of discussion here to-day about the tariff, and its effect on the farmer and the lumberman. If I understand the tariff, it affects the man in the West as well as the man in the South or East. It does not make any difference what part of the country it is in.

Now, when we commence figuring on the cost of lumber as compared with ten years ago, I will say that I got lumber and put it on the cars at that time for \$7.50 and \$8 a thousand, rough yellow pine. The same lumber to-day brings about \$14 a thousand.

Now, I want you to note the difference in the conditions and the cost of the product. I bought stumpage then at 25 cents per thousand, and I hired a negro for from 50 to 60 cents a day to operate the mill, and I bought my corn from Missouri and the other Western States at 59 cents a bushel, and I bought my hay for \$12 a ton. To-day I pay the same negro laborer \$1 to \$1.25 and \$1.50 per day, and we are paying \$1 per bushel for corn, and from \$1.50 to \$2.50 for stumpage. So that it is costing us more than double to produce that lumber to-day what it did ten years ago; but we are not getting double the price for it.

Here is another condition that obtains there. In 1894, it is a remarkable fact that between Norfolk, Va., and Charleston, S. C., on the inland railroads, away from water transportation, where they were obliged to run down all the way and ship their product by water, there were but two mills in that distance of 400 miles between Norfolk, Va., and Charleston, S. C. That was under the former

conditions. To-day we have under the conditions that have existed for the last five years 2,300 mills in operation, employing 115,000 operatives; and dependent upon the lumber industry in those States are at least 600,000 people—50 per cent of whom have been out of employment for the last six months, because 50 per cent of the mills have been closed down and unable to operate.

I have heard a good bit about the question of a trust, and I happened to be a member and vice-president of the North Carolina Pine Association when the Government sent some secret service men into that territory to investigate and find out if we were not in a trust—and it frightened some of our members nearly to death. [Laughter.] Now, I do not know how you are going to call 2,300 little mills a trust, many of whom do not know how many mills there are in existence, with no ownership in common, and nothing in common, and the mills buying their products one from the other, sometimes at profitable prices. I have run my planing mill from the products of six other mills, three of which I have no interest in whatever. I simply buy their products—buying from members of the North Carolina Pine Association. I state this to remove forever any idea of any lumber trust. I do know that there has been a good deal of agitation all over the country about a lumber trust, and a great many people believe that such a thing does exist. I really think that they conscientiously believe that we have sat down and dictated the price at which lumber is sold all over this country.

It is not hard for a practical lumberman, or for anyone else, to understand why lumber is higher now than it has been. I have operated and cut lumber at \$6.50 and \$7 and \$8 a thousand. Then we rolled the lumber right up to the side of a new railroad and sawed it and put it on the cars.

But that entire matter has changed throughout the South, as far as my knowledge extends. In other words, the lumber on the new railroads that have been built has been exhausted, and we have numbers of little mills to-day that are hauling the lumber on wagons for 6 miles to transportation.

On the question of protection, I take the broad stand that if tile and brick and steel and cement are protected, as they are from 30 to 60 per cent, the companion article entering into the very same building should be also protected, under the general principle of protection. I do not know why lumber should be singled out and the duty on that placed at 10 per cent when the companion article of cement is protected at 32 per cent. I do not know why lumber should be protected only 10 per cent when the grain of the West is protected 20 or 25 per cent, when it enters into our cost of production. I take the stand that if this country is to have a settled policy of protection, and we are going to have a protective tariff, I do not understand why the lumbermen should not enjoy a protective tariff as well as the steel manufacturer of Pennsylvania or any other point.

As far as the profit in the lumber business in the last twelve months is concerned, I asked one of the most eminent bankers the evening I left home how many lumber mills in the territory in which he dealt had failed in the last six months, and he answered, "25 per cent."

I know of a number of large mills in that territory now that are in the hands of a receiver, and have been for twelve months. I could name several of the mills the managers of which have told me

that they have operated for at least six years and have never paid but one dividend, even under the prosperous conditions that we have had.

Mr. CRUMPACKER. If the tariff had been \$6 a thousand on lumber, there would have been substantially the same percentage of failures during the last year, would there not?

Mr. BROWN. I think so.

Mr. CRUMPACKER. So that the hard times now in the lumber business is in no sense attributable to the question of competition or tariff?

Mr. BROWN. I do not think it has been for the last twelve months; no.

Mr. CRUMPACKER. So that that argument would seem to me to have little bearing on this question.

Mr. BROWN. But they operated the year before, and should have made sufficient profit to have bridged over one bad year.

Mr. CRUMPACKER. Yes.

Mr. BROWN. Therefore their profits in the lumber business in that section have not been as great as the public generally supposes, because any man who operated the year before at a large profit should certainly be able to take care of a bad year, such as we have just gone through. Therefore it does have a bearing.

Mr. CLARK. What makes you pick out the worst year there has been since the Dingley bill was enacted to make your comparison?

Mr. BROWN. I am going back to the year when we were——

Mr. CLARK. You had identically the same Dingley rates when you were flourishing that you have now when you are in the hole?

Mr. BROWN. The lumber business has been gradually improving in our section of the country for the past ten years.

Mr. CLARK. I say, you had the same Dingley rates when you were flourishing in the last ten years that you have now when you are in the hole?

Mr. BROWN. That is true.

Mr. CLARK. If that is true, then the Dingley rate did not make the prosperity, unless it also got you in the hole, did it?

Mr. BROWN. There has been an overproduction of lumber for the last twelve months as compared with the demand.

Mr. CLARK. Do you expect Congress to pass a law to keep you making money when you have an overproduction of lumber?

Mr. BROWN. No, sir; but on the other hand——

Mr. CLARK. Now, the trouble about the whole thing is that when you first started in this sawmill business down on the lines of those railroads the trees were standing right along the right of way, and right next to it, and it cost nothing to get to it, and you made immense profits.

Mr. BROWN. No; I did not say that, because lumber was lower at that time and we did not make as much profit as we have made since.

Mr. CLARK. You never did make any profit in the ten years?

Mr. BROWN. Not at that period that you speak of.

Mr. CLARK. I am talking about this ten-year period.

Mr. BROWN. The timber was removed in our section long before the time of the advanced prices, and therefore we did not get the profit.

Mr. CLARK. But when you started in, the trees grew so close to the railroad that the transportation of the logs cost you practically nothing. You have cut out all that timber close to the railroads, and

now you have to do like other people. You have to haul the logs from a distance, like the people haul them out in Missouri.

Mr. BROWN. That is true.

Mr. CLARK. And you want the law now fixed so that it will make the same kind of conditions for you that you had when the railroads and the timber were right together?

Mr. BROWN. If we did not make money then, with the extremely low price, and the demand for lumber as low as it was at that time, then our opportunity for making it has gone.

Mr. CLARK. I understand your argument to be this: Because the steel trust gets an enormous tariff, and these other things that are used in your business get a very large tariff, that you want to be marked up with them?

Mr. BROWN. I am speaking of the principle of protection. If you are going to have protection, I say that one article should not stand alone.

Mr. CLARK. How would it be to mark them down with you?

Mr. BROWN. I have no objection to marking them down. I say emphatically that if it is the policy of this Government to go to free-trade conditions, if you put wheat and corn and other commodities on the free list, then lumber asks nothing, absolutely.

Mr. CLARK. Do you think that \$2 a thousand on lumber is free trade?

Mr. BROWN. No, sir.

Mr. CLARK. How do you come to be talking about free trade, then?

Mr. BROWN. We do not want to have the \$2 taken off.

Mr. CLARK. Suppose we took \$1 off? How would that strike you?

Mr. BROWN. I think it would let in a lot of low-grade Canadian lumber.

Mr. CLARK. How much do you say you pay for Missouri corn now?

Mr. BROWN. The corn costs us \$1 a bushel.

Mr. CLARK. How much is the freight rate on a bushel of corn from St. Louis to where you live?

Mr. BROWN. I do not know. From Chicago to my point is 23 cents. I remember that.

Mr. CLARK. You can buy all the corn you want in Chicago for 64 cents a bushel, or in St. Louis, either, and 23 cents added to that would make 87 cents. If you are paying \$1 for Missouri corn or Illinois corn somebody is gouging you to the extent of 13 cents a bushel.

Mr. BROWN. The rate of 23 cents is to our seaboard. We have to add to that the cost of transportation to our point, and the cost of brokerage, which brings it up to \$1.

Mr. CLARK. That is where the retailer comes in and skins the lumberman.

Mr. BROWN. I do not suppose that he could sell without some profit—say, 5 cents a bushel.

Mr. CLARK. Do you believe that this bogus tariff of 15 cents a bushel on corn ever put up the price of a bushel of American corn?

Mr. BROWN. Not that specific tariff; no. But I will tell you what I do find. I live at a point from which is shipped the largest quantity of strawberries in the world. Now, they ship to Pittsburg. The minute there is a depression in the iron market our people get

to running around almost crazy to know where they can dispose of them, because Pittsburg's labor is not employed.

Mr. CLARK. That is not what I asked you.

Mr. BROWN. I am explaining. I am trying to explain what you did ask. I believe that if that labor there was put down to the same starvation point, they would not be able to buy those strawberries.

Mr. CLARK. The secret of this collapse in the lumber business is that you have been speculating in the yellow pine until you got the price of yellow pine in the tree up above where it ought to have been.

Mr. BROWN. I think the stumpage is too high.

Mr. CLARK. And it grows out of the wild speculation that has taken place within the last three or four years.

Mr. BROWN. I do not own 5,000,000 feet of stumpage. I go out in the open market and buy the rough product and finish it. Yet last year I ran my mill without any profit—in fact, at a small loss. The other man is cutting the lumber at a starvation price.

Mr. CLARK. But that grew out of the collapse of business, or whatever you call it, that came under this blessed Dingley bill.

Mr. BROWN. That is true. Now, I do not want it to continue. That is all there is about it.

Mr. CLARK. But it came about under that bill. What do you want? Do you want an increase on lumber?

Mr. BROWN. I would rather have it increased if I have got to pay a high tariff on some other articles. I believe in the revision of the tariff.

Mr. CLARK. Do you believe in revising it up or down?

Mr. BROWN. The lower articles might be raised and the higher ones lowered. That is a question, I think, for you gentlemen to go into on the merits.

Mr. CLARK. That is what we are trying to do, but we can not take up but one schedule at a time.

Mr. BROWN. We can not get away from the fact that if this country has protection all articles are affected by it.

Mr. CLARK. You are in favor of raising the tariff, then?

Mr. BROWN. If I were going to revise and write the bill I should lower a great many of the schedules, I am frank to say.

Mr. CLARK. I am glad to hear that.

Mr. BROWN. For instance, I would like to have leather as cheap as I can get it to belt my mill. If a man were going to write it for his personal benefit he would make that provision.

Mr. CLARK. Do you know of any way to get leather cheaper? I will help you with that.

Mr. BROWN. I unquestionably think—I do not know what the tariff on that is—

Mr. CLARK. It is pretty high on leather and all leather products, and on hides.

The CHAIRMAN. The duty on leather is 20 per cent ad valorem, I think.

Mr. CLARK. The New England manufacturers that sell you this leather belting want the hides free, but they will not agree with me and with you and other people to take the tariff off of leather or cut it down to a reasonable price so that all can have a fair deal.

Mr. BROWN. You western men—I do not know whether you would personally, I will not say that, but I know that the average western farmer would seriously object to taking the duty off of hides.

Mr. CLARK. He would not object if you took it off of leather and leather products.

Mr. BROWN. Well, I should reduce it to a 10 per cent basis. I should reduce the higher articles, and when they were extremely low I would try to put them on as fair a footing with the other as possible. I would equalize it as near as possible; but I would not be willing personally, if I had the power, to strike the tariff off of every commodity in this country.

Mr. CLARK. Nobody wants to do that. That is, I have not heard of anybody that did.

Mr. BOUTELL. The people of North Carolina would not be anxious to have the tariff on furniture reduced, would they?

Mr. BROWN (to Mr. Clark). I understand they are asking that the \$2 on lumber be taken off. Am I correct?

Mr. CLARK. Some ask that and some ask to put it at \$1. We are trying to find out the facts so as to be fair and just in readjusting this tariff.

Mr. BROWN. If I were going to take a companion article, such as steel, iron, or cement, I would put the tariff on lumber up and reduce the others, and thus put them on a parity.

Mr. CLARK. Then you would cut down the tariff on leather and everything you use in manufacturing your lumber, would you not?

Mr. BROWN. Certainly, if I was going to do it for my own personal benefit; but if it is to be done for the country at large I would give consideration to all articles and reduce those that are extremely high.

Mr. CLARK. It is a universal grab game. [Laughter.]

Mr. BROWN. That is about the size of it. But that is the policy on which we have built this country up. I do not know whether I would call it a "grab game" or not, but you can not have one article protected and another not protected.

Mr. CLARK. You are right about that.

Mr. BROWN. If we are going to have protection, let us have it on lumber. That is my position.

Mr. CLARK. If you can induce the cement men and the rest of them to bring it down to where you are, then we might consider it.

Mr. BROWN. Then I can not see yet why lumber should be singled out and why you should take off the \$2 which they are asking to have taken off.

Mr. CLARK. It is because the people have to build houses. They can not get along without them.

Mr. BROWN. They have to build houses out of concrete and steel and other materials, too.

Mr. CLARK. And they will build them out of concrete if the price of lumber does not go down.

Mr. BROWN. Well, we hope they will.

Mr. FORDNEY. If the tariff is a "grab game," the lumberman got the poorest "grab" in the bag, did he?

Mr. BROWN. That is what we have found to be the case recently.

Mr. BOUTELL. The people of North Carolina would not be anxious to reduce the tariff on furniture of low grades, would they?

Mr. BROWN. No; but if we are going to have protection we want it for every part of the country.

Mr. BOUTELL. Right in that line, we are going to raise \$300,000,000 on imports. We can not do that without affecting the domestic industries—

Mr. BROWN. No.

Mr. BOUTELL. Without protecting them.

The CHAIRMAN. Certainly we can. We can raise \$300,000,000 without protecting anything.

Mr. BOUTELL. Well, we are not going to.

The CHAIRMAN. Except Porto Rican coffee.

Mr. BOUTELL. The plan is to do the maximum amount of good and the minimum amount of evil.

Mr. BROWN. Unquestionably; I think so.

The CHAIRMAN. The duty on leather is 20 per cent ad valorem, and the duty on lumber is \$2 a thousand, specific, which amounts to about 12 per cent. It was 21 per cent ten years ago, but it amounts to about 12 per cent now—perhaps a little more this year. Now, as a matter of fact, the ad valorem duty on leather and the specific duty of \$2 on lumber equal an ad valorem of 12 per cent. Probably there is not a very great deal of difference because of the undervaluation on leather. The duty of 20 per cent probably is not worth much more than 12 per cent actually; so you are rather unfortunate in picking out your specification about the “grab game.”

Mr. BROWN. I said, if I were going to make the tariff for my own special benefit, I would do that. I qualified it in that way. I said, if I were going to make the tariff for my own benefit and my own section alone, I would pick out the things we used, and take all the tariff off; but that I thought this committee was making the tariff for the country at large, and they could not pursue that course.

The CHAIRMAN. We are getting information, to see what we shall do.

Mr. BROWN. Certainly. I understand that.

Mr. UNDERWOOD. Let me ask you a question. You are a southern business man, and I would like to hear your view. Where an industry in this country is able to compete and to control the market against foreign competition, it must be in a pretty live condition, must it not?

Mr. BROWN. I should say so; yes, sir.

Mr. UNDERWOOD. Where an industry in this country has driven foreign competition out to such an extent that the foreign competition only amounts to a third of the market, it is pretty well controlling the market and fixing the prices, is it not?

Mr. BROWN. It would appear so upon its face; yes, sir.

Mr. UNDERWOOD. Then, in revising a tariff bill, where the tax now is prohibitive, is not that a good point to start to reduce, until you get down to where at least one-third of the market is showing some effect—as long as you control two-thirds of the market?

Mr. BROWN. Where the tariff is absolutely prohibitive, and where there is a complete control of the product, if you are going to start on any to reduce, that should be the one to start on.

Mr. UNDERWOOD. That is not only a revenue tariff and a protective tariff, but a monopolistic tariff.

Mr. BROWN. Certainly; but we think lumber is at the foot of the list. And yet these gentlemen come and ask us to remove the 10 per cent we have here now. That is what we are objecting to.

Mr. UNDERWOOD. Your ad valorem rate is now about 11 or 12 per cent on lumber, is it not?

Mr. BROWN. Yes, sir.

Mr. CLARK. The secret of your trouble about the furniture business is that the panic stopped the buying of furniture, practically?

Mr. BROWN. Yes.

Mr. CLARK. Now, you say there is no trust. If that is true, how did it happen that the Government got it into its head that there was a trust, and started out to hunt for it?

Mr. BROWN. I do not know. I could not tell you that.

Mr. CLARK. How many different mills did you say there were in the United States; or did you state that?

Mr. BROWN. There are 28,000 in the United States, I think. I did not state it.

Mr. CLARK. Most of them are very small portable sawmills, are they not—

Mr. BROWN. Well, a great many are.

Mr. CLARK. That do not count for anything in the management of the business—

Mr. BROWN. Well, you ask me to agree to that. I will say no. In our territory we have 2,300 in three States, and I know of only about 15 very large mills.

Mr. CLARK. They are nearly all small mills?

Mr. BROWN. Yes.

Mr. CLARK. They do not enter into the price of selling lumber at all, do they? They hardly enter into it?

Mr. BROWN. Yes, indeed.

Mr. CLARK. They do not have anything to say about it, do they?

Mr. BROWN. Yes, indeed.

Mr. CLARK. Locally they do?

Mr. BROWN. Yes.

Mr. CLARK. But as far as the general market is concerned the price of lumber is fixed by a few big mill owners, is it not?

Mr. BROWN. In our territory, when I left home, there were more buyers there than I have seen for a long time. They come from Philadelphia and New York and other places, and they go to the little mills and buy, and it is shipped to them.

Mr. CLARK. Is it not true that in the last few years the small mills have been disappearing and that they are all merged in the big companies, or largely so?

Mr. BROWN. Not in my section. I do not know of one such instance.

Mr. CLARK. The people of North Carolina have more undeveloped water power than any State in the Union, I believe?

Mr. BROWN. I think so.

Mr. CLARK. As they develop the water power do they use it for milling purposes?

Mr. BROWN. Not for sawmills.

Mr. CLARK. Why can they not use it?

Mr. BROWN. They must run the mills out to the timber, and they must do it by portable steam power.

Mr. CLARK. So there is no hope for cheaper lumber through the development of electricity by water power?

Mr. BROWN. Not in our State. The timber that is owned by the large companies is scattered all over the territory—1,000,000 here and 1,000,000 there.

Mr. CLARK. How far can you afford to haul the logs down there to the sawmills?

Mr. BROWN. Under the present conditions you can not afford to haul them a mile.

Mr. CLARK. The bottom has fallen clear out, has it?

Mr. BROWN. Under the conditions of 1908 I know we hauled the lumber, good heavy logs, to the mill and then hauled it 8 miles to the railroad and made a profit on the operation.

Mr. CLARK. In 1907 you mean?

Mr. BROWN. Yes.

Mr. CLARK. You said 1908.

Mr. BROWN. If I said 1908, it was incorrect. I have heard a good many men talk about the profits on lumber. I sold in 1908 four carloads of lumber at an average profit of \$18 per thousand—

Mr. CLARK. In 1907.

Mr. BROWN. Yes; but I also sold along with that lumber 200,000 feet that I did not get a dollar's profit on. I picked out the better grades of that timber and got a very good, handsome profit on it, so that on the 200,000 feet I made a fair profit, because I had, on the extra large timber, gotten a profit which paid me a reasonable profit for handling the other.

Mr. CLARK. You have overstocked with lumber, have you?

Mr. BROWN. Yes; for the last several months.

Mr. CLARK. Why do you not let up on the rapid consumption of the forests, so that it will leave some for posterity?

Mr. BROWN. We are now; we have been forced to do it.

Mr. CLARK. I know you have.

Mr. BROWN. We can not control the little mill man.

Mr. CLARK. What is that?

Mr. BROWN. We can not control the little mill man. If it is his land and he has timber on it, he can cut it.

Mr. GRIGGS. What do you mean by a large mill?

Mr. BROWN. I mean one that will cut 50,000 feet of lumber per day.

Mr. GRIGGS. You say there are only 15 of those in your territory?

Mr. BROWN. I think there are about 25 or 30 of those larger mills in that territory, cutting from 50,000 up to about 100,000 feet.

Mr. GRIGGS. Do you operate in Georgia?

Mr. BROWN. Our territory does not extend that far—the territory of the association I represent. Now, gentlemen, I am interested in this question of the conservation and preservation of our forests, but I can not conceive how cheap lumber will cause any man to preserve his forests.

Mr. CLARK. I want to ask you a question right in that connection. The President appointed me on this commission for the conservation of natural resources, and Mr. Gifford Pinchot invited me to go down to North Carolina the other day with him. I could not do it on account of this hearing. He was going there to get up some kind of a scheme to preserve the timber, so that the water will not all run off.

Mr. BROWN. I want to say that I wrote Mr. Pinchot a personal letter asking him to come and look at the destruction of my timber, and to extend the gentleman an invitation to come along, to see where thousands of acres of timber have been burned to get pasturage.

Mr. CLARK. I wanted to go, but I could not, on account of this committee.

Mr. BROWN. You and I know that a negro will go out with a gun at night, and he will cut down a \$25 tree to catch a 25-cent 'possum.

Mr. CLARK. If you clap him in jail, he will not do that.

Mr. BROWN. But the man who has land and who is getting \$1.25 or \$1 stumpage for it, does not care to catch the negro. It costs too much.

Mr. CLARK. If that is the case in North Carolina, what sense is there in this great propaganda which you say you are in favor of, and which I am in favor of, of the Government undertaking to preserve those forests down there to keep the country from drying up? If there is no way to compel the people of North Carolina themselves to help take care of the timber of North Carolina, what sense is there in the Federal Government undertaking to do that?

Mr. BROWN. Well, I believe that everything, almost, in this country is done by agitation. By the persistent agitation of that question the people will be stirred up, and they will take care of a thing like that. I believe that will help it.

Mr. CLARK. The only way to do it is to enforce the criminal law against those violations.

Mr. BROWN. I go on the broad principle that if you want it to be taken care of and make it valuable it will be taken care of.

Mr. CLARK. But you say that a negro will cut down the most valuable tree in North Carolina to catch an opossum. What does he care about the value of the tree?

Mr. BROWN. But the owner cares for it as soon as it becomes of value. When he gets 25 or 50 cents stumpage away back from the railroad, with no profit in getting it out, it is not valuable, and he does not care to protect it.

Mr. CLARK. It is a criminal offense in every State in the Union to go on a man's place and cut a tree down.

Mr. BROWN. I understand that.

Mr. POT. Under which condition do you think the destruction of forests has been the graver—under very low prices or under high prices?

Mr. BROWN. Under low prices—on the principle that a man will take care of anything that is valuable. Even a negro will do that. He is not cutting down the trees now for the 25-cent 'possum, as he used to, because the stumpage is worth more. It is a warning to him.

Mr. POT. You think that the high price of the lumber and the increase in the price of stumpage has been a great stimulus to the people to preserve their forests?

Mr. BROWN. Unquestionably. Now, let us take this question of preserving the forests. Suppose a man has 1,000 acres of land located 2 or 3 miles away. To put a warden there to catch the man who is cutting down the tree to get the 'possum, and to put the fires out, would cost him \$25 a month, to keep the man there; and he can not afford to do it.

Mr. CLARK. Would not the growth of timber compensate him for that?

Mr. BROWN. Oh, no.

Mr. CLARK. On 3,000 acres?

Mr. BROWN. I said 1,000 acres.

Mr. CLARK. The growth of timber on 1,000 acres, you say, is not great enough in twelve months to pay \$300 a year for a warden?

Mr. BROWN. No, sir; if it were, you would not have any use for this commission to preserve the forest, because it would produce itself so rapidly under favorable conditions that we would not be clamoring on this question now.

Mr. GRIGGS. You mean that it would not pay to make this expenditure of \$300 a year on 1,000 acres.

Mr. BROWN. The timber does not grow in one year. If it did grow in one year, it would pay. Why, suppose a man undertook to protect 1,000 acres of land by putting a warden on it. It takes twenty-five years for it to grow in timber so that it is valuable.

Mr. FORDNEY. About what proportion of your product of logs is low grade?

Mr. BROWN. When this panic came on we sent to every man who was working in the woods, and we gave them instructions to cut the tree for the first and second cutting, and to leave the balance in the woods. Under that condition we have managed to raise the price of our manufactured product \$1.76 per thousand. That is the only way we live. We have produced 3,000,000 feet of timber and wasted 2,000,000, and left it in the woods as worthless, because we can not market it under these conditions. In 1907, under those conditions, we did use the tree up close, and got a small profit for the low-grade timber.

Mr. FORDNEY. When Mr. Knapp stated this morning that the average was about 20 per cent, he did not get it very correctly, did he?

Mr. BROWN. We calculate that by cutting the timber close we will get about 20 or 25 per cent of a grade above No. 4.

Mr. FORDNEY. Mr. Brown, do you know of a lumber trust in this country?

Mr. BROWN. None whatever. There is absolutely none.

Mr. HILL. If you cut off the short-leaf pine forest, how many years will it take before it is ready to cut again?

Mr. BROWN. From the seed it will grow in twenty-five years to make a very fair amount of timber.

Mr. HILL. And the long-leaf pine does not grow that soon, does it?

Mr. BROWN. The long-leaf pine takes very much longer. I know the lumbermen in the South, down in the eastern part, where there is a great deal of moisture in the land, can cut over their land every five years and get a fair amount of cutting; but they do not cut below 12-inch timber, because it is not profitable to cut that small timber off.

Mr. HILL. How small do you cut?

Mr. BROWN. Not below 12 to 15 inches, and very little of that. That larger timber grows very rapidly, and will replace itself in from five to ten years. But that is of much more rapid growth within 100 miles of the coast than it is back in the hill lands. My experience is that in the State of Maine it takes two or three times as long as in that part of North Carolina, South Carolina, or Georgia.

Mr. BOUTELL. As a matter of fact, they have been cutting lumber more or less in North Carolina ever since Raleigh landed on North Carolina soil, over three centuries ago.

Mr. BROWN. Yes.

Mr. BOUTELL. For fear that it may not be brought out, I want to ask you this: North Carolina is the largest, or next to the largest, furniture producer in the United States?

Mr. BROWN. I do not know that our factories are the largest, but we produce, I think, the second largest output in the United States.

Mr. BOUTELL. Do you know how many spindles there are in operation in cotton factories in North Carolina at present?

Mr. BROWN. I can not recall; but we manufacture more cotton than we produce.

Mr. GRIGGS. You say you are the second?

Mr. BROWN. In the number of mills; but our mills are not so large. We consume more cotton than we produce. The number of spindles I can not give you now.

Mr. BOUTELL. I wanted to compare them with the number twelve years ago, but I can probably find that out from some other witness.

STATEMENT OF J. A. FREEMAN, OF ST. LOUIS, MO., WHO WISHES
PRESENT DUTIES ON LUMBER MAINTAINED.

FRIDAY, November 20, 1908.

Mr. FREEMAN. Mr. Chairman and gentlemen, I am here as a representative of the Freeman & Smith Lumber Company, of St. Louis, Mo.

In view of the fact, Mr. Chairman, that quite a number of other gentlemen desire to be heard in this matter, may I consistently suggest or request that I may receive the usual courtesy of this hearing and have the principal part of the cross-examination come later in my testimony?

The CHAIRMAN. You mean you want to complete your statement without being cross-examined at all?

Mr. FREEMAN. Not entirely. I have no objection to interruption or cross-examination, but it is easy to confuse those of us who are not used to much public speaking, and we sometimes get off the drift of our remarks, and I very much fear that I might fall into that calamity.

Mr. BOUTELL. I suggest the witness continue and signify when he is ready to be interrogated.

The CHAIRMAN. I think that will be more satisfactory. You may proceed upon that basis, Mr. Freeman.

Mr. FREEMAN. I have selected for a brief consideration on this whole topic the lines of objection that are made to the present tariff on lumber. I believe that the lumbermen as a class, while believing that the present tariff duty is far from an excessive one, and it is doubtful if it can be defended as an adequate one in comparison with our general tariff schedules, are ready and willing to let well enough alone and to continue, if may be, the prosperous conditions we have enjoyed for a number of years.

Now, in considering the details of the objection that is made to our contentions, I wish to take them up in order. The first point I wish to dwell upon, and very briefly, is the general subject of tariff legislation.

Personally—and I think I am speaking for a great majority of the lumbermen—I believe and have been taught to believe in the doctrine of protection to American industries. I have no academic argument to make on that question. Most of the time since the war I have been an observer, as all of you gentlemen doubtless have, of the practical workings of the protective and the antiprotective systems, so called.

The CHAIRMAN. You will pardon us, but we do not care to hear any discussion of the doctrine of protection, especially at this hour and this day.

Mr. FREEMAN. I beg your pardon. I perhaps should state that I have no purpose of getting into a general tariff discussion, only I wish to say this, that observation has taught us that a general, adequate protection has resulted generally in a pretty good condition throughout the country at large, and to our particular industry. When, about ten years ago, it was necessary for us to make a strong effort to secure the placing of lumber upon the tariff list, we then began a period of fair prosperity, not reaching its culmination until a little more than a year ago.

Now, I am not disposed to claim, but I want to disclaim at once, that the whole of the prosperity coming to the lumber industry has been the result of tariff conditions; nor do I for one moment allow that the tariff conditions are chargeable with the calamities that have befallen us in the past year.

The CHAIRMAN. We have heard that argument a great many times. You will please abandon that and come down to facts in reference to the statement you have to present.

Mr. FREEMAN. That is a pertinent fact in regard to our industry.

The CHAIRMAN. We know all about prosperity. We have not been here for nothing.

Mr. FREEMAN. I desire to continue that no further; if the committee please.

I want to take up the question of cheap lumber for the consumer, and I am compelled to come back a little to the same proposition. I do believe, if you will pardon the suggestion, a good deal of confusion has arisen in my mind to-day in listening to the testimony as to the probable effect of putting lumber on the free list. Whether I am to decide, or whether you gentlemen can decide from the testimony you have heard, that the effect is going to be to make cheap lumber or make dearer lumber, I am seriously in doubt. But I do know this, that if you propose to enter upon a condition of things in this country that makes our people generally not prosperous, we are likely to have cheap lumber enough and nothing with which to buy the cheap lumber.

Our farmer, who seems to be the beneficiary of most of our consideration, wants most of all the home market. Nothing helps to furnish him that home market more than does the industry we represent. The prices at which lumber may be sold now or at any other time are simply questions of supply and demand. We who manufacture lumber have been confronted two or three times, within the times of the

greatest prosperity we have ever had, with the fact that we were producing more lumber in America than the American people wanted to consume, and every effort we have made to curtail our output has been met with the cry that we were engaged in a conspiracy and the forces of the Government must be put upon us to put a stop to it.

I cheerfully consent, however, to the doctrine that the tariff reduced upon lumber will, for a time at least, give to the farmer and to the consumer a little cheaper lumber. But there will follow other calamities that will very much more than offset it.

The next point to which I wish to direct your attention is the doctrine of reciprocity. It is a great big, large word that has sounded well and has been pretty generally used. My own candid conviction is that as a practical proposition reciprocity has resulted simply in our being asked to give up something we do not want to give up in order to get something we do not care very much whether we get.

A very substantial argument that has been produced against the retention of the tariff on lumber has been the hue and cry that our dear newspaper friends and the interesting yellow-back magazines have promulgated, that there is a wonderful lumber trust. I do not think that I desire to impeach the intelligence of the members of this committee, despite any of their suggestions to the contrary, that down deep in their hearts a single one of them believes such a thing as a lumber trust exists in the United States to-day.

Mr. GRIGGS. You take the liberty of impeaching me in that line——

The CHAIRMAN. I thought it was understood the witness was not to be interrupted?

Mr. GRIGGS. No; he said he could be interrupted.

The CHAIRMAN. Have you concluded your statement?

Mr. FREEMAN. If he wishes to ask a question; yes, sir.

The CHAIRMAN. If you have not concluded your statement, you may go on. I understand you have concluded your statement?

Mr. FREEMAN. No, sir; I have not.

Mr. GRIGGS. Then I will not interrupt you.

Mr. FREEMAN. I simply state this, that all of this talk suggests to my mind this situation: If there is a gentleman on this committee or any other place who seriously in his mind entertains the idea that there exists such a thing as a lumber trust to-day in the United States I will guarantee cheerfully to convince him to the contrary, if he will give me the opportunity.

The CHAIRMAN. Will you permit a suggestion? Instead of trying to read the committee's minds suppose you say what you are trying to say.

Mr. FREEMAN. That is my method of saying that there is no lumber trust.

The CHAIRMAN. That is no argument of interest to this committee at all.

Mr. FREEMAN. If any gentleman wishes proof of it I think I can furnish it to him.

On the practical question of forest conservation I frankly admit that if I could be shown that a reduction of the tariff or a removal of tariff duty would substantially improve the opportunities for forest reproduction in the United States, I should be quite willing to yield a good deal of my opinion in the matter. There is but one way by which you can ever conserve the forests. You may have all of the

recommendations and all of the schemes that you care to devise. It can only be done by making the forests worth conserving. Frankly that means higher-priced lumber. If it is desired to conserve the forests of the United States it can only be done by making those forests worth taking care of; by making it so that the owner of them, in the production of his lumber, will use up the product that is now going to waste.

It has been testified to-day that we only have about thirty years' supply of timber in this country, and if we love our country it is necessary for us to do something to save that for posterity; and only having thirty years they propose to introduce and bring in here, for the destruction of a present prosperity, enough more timber, at their own calculations, to last only about ten or fifteen years longer.

Mr. GRIGGS. I do not understand that statement.

Mr. FREEMAN. Very well. There is about one-half as much timber in Canada and British Columbia as there is in the whole of America.

Mr. GRIGGS. You say we only have thirty years' supply in this country?

Mr. FREEMAN. Yes; and add to it one-half of the amount which they have in Canada and that would make forty-five years. I said fifteen years longer.

Mr. GRIGGS. I understand your proposition now.

Mr. FREEMAN. In 1803 I believe a commission was appointed to discover something about the forest reserves of the Louisiana Purchase, and after a considerable survey and examination reported to their superiors that the forests of the Louisiana Purchase were not worth considering; that, as a matter of fact, they had been, nearly all of them, cut away.

Mr. CLARK. 1803?

Mr. FREEMAN. Yes.

Mr. CLARK. That is the year we got the Louisiana Purchase?

Mr. FREEMAN. Yes; that is the year we got it. The forests had been cut away by the Indians. I simply bring that in to illustrate the value sometimes of statistics.

Mr. CLARK. Who cut it off—the Indians?

Mr. FREEMAN. I presume it must have been Lo, the poor Indian.

Mr. RANDELL. Who made a statement to that effect?

Mr. FREEMAN. I can not give you the name at this time. You will find it in an old report that was made at the time.

Mr. GRIGGS. Nobody from Missouri made it?

Mr. FREEMAN. No; I think the man from Missouri would have to be shown differently.

The CHAIRMAN. Was it a report made by the Government?

Mr. FREEMAN. No, sir; I said, or intended to say, by some parties in interest.

The CHAIRMAN. To whom was it made?

Mr. FREEMAN. I can not answer that question. I am not giving it as an absolute fact, but as an illustration of the value of statistics. It has been placed upon record, and I think I can secure the means of information, but I do not have it at hand.

I do want to say in all sincerity that, in addition to the making of timber valuable and worth conserving, there is one other thing that has to be done, and the forestry department has well recognized

that from the beginning—that is, it is necessary to have an organized force which shall receive the cooperation of the actual owners of the timber to be conserved. That is a simple proposition. Now, do those people believe that by an attack upon this industry they are going to secure that cooperation? Is it human nature that they are going to secure it that way? I venture the prediction that if the tariff on lumber is reduced at this time, the whole scheme of forestry restoration and conservation will be practically dead for the next ten years.

There is only one other matter to which I wish to allude. The people who are making the cry, who are appearing before you, are just in the same attitude exactly as we are. They are all interested parties. I have been a little surprised that possibly the Governor-General of Canada has not been before this committee to plead his cause. Gentlemen from this country, ten years ago, when we were making a strong effort to secure this tariff of \$2 per thousand, men high in the service of their country, who had made great fortunes in the white pine of the North, had stripped off the timber from the lands, had invested those fortunes in Canadian timber, and used every effort in their power to persuade the Ways and Means Committee of the House of Representatives to give them free lumber at that time and not to put a tariff on, created a condition very similar to the condition with which we are confronted at this time. Gentlemen who have made their money in American woods, have cut over their timber, have gone and forsaken their brethren in this country, and have invested their savings in Canadian stumpage, and they will be mighty glad to have us help them at this time. I do not blame them. I do not believe, however, that it should be the policy of our Congress to aid them or give them any such support.

That is all I have to offer.

Mr. GRIGGS. Under the conditions you state, they ought not to have very large savings to invest in that timber. Under the conditions which existed before the tariff was put on the lumber they ought not to have very large savings to invest anywhere, it seems to me.

Mr. FREEMAN. No, sir; I have not made that statement anywhere.

Mr. GRIGGS. You said our brethren have left us with their savings.

Mr. FREEMAN. They have taken the savings with them that they have made and have forsaken our side of the question and have gone into Canada and have procured their future timber supplies there.

Mr. CLARK. You say you are willing to give up part of your opinion to see this reforestation scheme worked all around?

Mr. FREEMAN. Yes, sir.

Mr. CLARK. But you are not willing to give up any of your tariff?

Mr. FREEMAN. Yes, sir; I think when I said I would give up my opinion it would mean if I could be convinced that that would conserve our forests, I would be willing to do that; but it would take a whole lot of testimony to convince me, I will admit.

Mr. CLARK. The President of the United States has been voluble and vociferous on that subject, has he not?

Mr. FREEMAN. I think my friend Captain White made reply to that, which I would hardly dare to make.

Mr. CLARK. You need not repeat it.

Now, Mr. Freeman, if there is no lumber trust, then how does it happen that there is such a wonderful uniformity of prices?

Mr. FREEMAN. I have thought of that question, of course. I will have to answer to that just as I have to the question about trusts. I say there is no trust. I affirm with equal confidence there is no unanimity or uniformity of prices. I will say, further, we can give you the proof of that if you will call at my office in St. Louis at any time; or, if you will send an agent there, I will offer you abundant proof to the contrary.

Mr. CLARK. The first time I am in St. Louis I will call upon you.

Mr. UNDERWOOD. Suppose you file that information as a part of your remarks, showing there is no uniformity of prices? Can you do that very easily?

Mr. FREEMAN. I would have to do it this way. I could simply have the gentleman accompany me to a half a dozen different concerns and let him ask them what they would take for certain commodities at that time or any other time.

Let me state with all sincerity, and I think I can back this up—I think there are plenty of gentlemen here who know that it is true—that there never has been a time, even in the most prosperous times, when very many of the articles on the lumber list could not be obtained at varying prices at any market in the United States at any time, a variation of from one to three dollars.

Mr. GRIGGS. That is due to the freight rates?

Mr. FREEMAN. No, sir; in the same market, under the same conditions. Take the city of St. Louis, and I have never known a time when I could not have gone out and bought lumber there at a variation of from one to three dollars per thousand, on almost any item on the list. Of course, there are a few times when there may be an exception, when some particular item is short in supply.

Mr. CLARK. Do you own timber lands, as well as manufacture lumber?

Mr. FREEMAN. Yes, sir.

Mr. CLARK. Where are your lands?

Mr. FREEMAN. In Arkansas.

Mr. CLARK. Yellow pine?

Mr. FREEMAN. Yes, sir; short-leaf yellow pine.

Mr. CLARK. How many acres have you?

Mr. FREEMAN. About 33,000 to 35,000 acres.

Mr. CLARK. Bought at \$2 or \$3 an acre?

Mr. FREEMAN. No, sir; unfortunately I did not; but I did buy it a good deal less than it is worth to-day. I could have bought it, if I had had the courage of my convictions and a little more money, at a good deal less than \$2. I went there nearly eighteen years ago. I could have bought it at \$1.25 an acre.

**STATEMENT OF C. W. NIBLEY, OF LA GRANDE, OREG., WHO URGES
CONTINUED PROTECTION FOR THE LUMBER BUSINESS.**

FRIDAY, *November 20, 1908.*

Mr. NIBLEY. Mr. Chairman, I shall not detain you long. I just want to say in regard to the price of lumber, about which we have had some question, that the price of lumber in Portland, Oreg., now is as low as it was ten years ago on all rough lumber.

Mr. HILL. Was that true last year?

Mr. NIBLEY. No, sir; it is less now than it was last year, but you can buy to-day in Oregon all kinds of rough lumber at as low prices as you could in 1898, ten years ago. We are not in favor of the tariff being reduced or taken off of lumber. We think it would hurt our business. We have a right to ask, we think, that it be continued at least as it is. As to the idea of the President of the United States or Mr. Pinchot, that taking the tariff from Canadian lumber would save our forests, I think we can show you a more excellent way. I am going to air this subject a little here, because I think it is proper, Mr. Chairman, at this time.

The stump land, land that has been cut off and denuded, has been disposed of in this way in our section of the country. We have sold in eastern Oregon—and when I say we, I mean my company alone—40,000 acres to sheepmen for pasturage. That hill and mountain land is worth little for anything else after the trees are cut off of it. It is not the best pasturage in the world, but we have rented some to the sheepmen for from 8 to 10 cents an acre per year for pasturage. Now, why could not, and why should not the Government, if it wants this land for reforestation—and it does, doubtless—secure that same land instead of the sheepmen getting it? Buy it, condemn it, give the Government the right to condemn, if necessary, and your registers and receivers in the different land offices and land districts may be made the judges of the value of the land, and secure this land for reforestation instead of turning it over to the sheepmen. The amount that would be received by grazing sheep on that land would pay the interest on the investment.

Mr. UNDERWOOD. Would sheep interfere with reforestation?

Mr. NIBLEY. No, sir; not after the trees get started a little to grow. On the very young trees they will cut the bark, but after they grow a little the sheep do not bother them. Cattle can be grazed on that land right from the beginning, and produce some revenue. So there is a chance not only for thousands and tens of thousands, but millions of acres to grow timber, and if it were a country different from ours, steps would be taken to handle that matter in a practical way. It is what you would do and what I would do, and it can be done, and done easily. It is feasible and practicable.

Mr. UNDERWOOD. Why do not the citizens do it?

Mr. NIBLEY. What is everybody's business is nobody's business. I do not care to do it. We sold to the sheepmen.

Now, as to the famine of timber: We all know that in the West, in that warm, generous climate, trees will grow in twenty-five to thirty years from the seed or a small sapling, to 18 or 20 or 24 inches in diameter. We have timber on hand estimated to be sufficient to last us thirty years, and with the Canadian timber, forty-five years. We

can produce timber in thirty years and do it easily. There is no great danger of timber famine if the timber interests are taken hold of in some practicable and feasible way, which I think I have suggested.

I have some photographs here which I shall be glad to submit to the committee, together with statistics showing the cost of houses, the amount of lumber that enters into them, and showing that those houses are built in the city of Portland at remarkably low figures. You will be surprised when I tell you that the plumbing in the house is substantially the cost of the lumber—that is to say, the plumbing costs as much as the lumber.

Mr. BOUTELL. That is no surprise to me.

Mr. NIBLEY. Here is a photograph of a house which was taken July, 1908; estimated cost of a six-apartment building, Benton street, Portland, Oreg. I will not take time to read all the details, but will hand these pictures around for the members of the committee to examine. The statistics accompanying the photograph show the cost of excavating, grading, plumbing, painting, plastering, brickwork, tin roof, window and frame work, heating plant, lumber, carpenter work, etc. This is a \$9,000 building. The lumber was only \$624. The plumbing in this building was \$1,320. That, however, is an extreme case. Here is another one that is just a lumber house entire, with a concrete foundation. Here is a lumber house that cost \$4,500. There are 28,000 feet of lumber in it, which in Portland cost \$518.

The CHAIRMAN. Those statistics are given on the backs of those photographs?

Mr. NIBLEY. Yes, sir.

The CHAIRMAN. Then you may hand them up to the committee, and we will look at them at our leisure.

Mr. NIBLEY. Yes, sir; I will do so. I would just like to say as to common and high-grade lumber, that in eastern Oregon, where I live, we do not get 10 per cent of the high grade. There is 90 per cent of our trees that is common stock. So that if the tariff is taken off and the cheap lumber is allowed to come into our country, we are just that much worse off.

I do not know, gentlemen, that I shall detain you any longer. I will present these photographs to you and would like to have you look at them.

The CHAIRMAN. I think you said at present prices you could not ship any rough lumber out of the State?

Mr. NIBLEY. Oh, no; we ship out. We ship as far as Kansas and Nebraska.

The CHAIRMAN. I thought you said the present prices would not enable you to do so?

Mr. NIBLEY. Oh, no; we ship the high-grade lumber.

The CHAIRMAN. Do you send by sea or rail, or both?

Mr. NIBLEY. By rail pretty much.

The CHAIRMAN. Is there any shipped from there by sea?

Mr. NIBLEY. Yes, sir; from Portland; but I am inland.

The CHAIRMAN. You have had pretty good prices for it in the past ten years, up to about a year ago?

Mr. NIBLEY. In 1907, very good prices; yes, sir. This year anything but good prices.

The CHAIRMAN. What was the condition generally? Was the industry prosperous?

Mr. NIBLEY. Yes, sir.

The CHAIRMAN. And the present depression is because of the depression in trade generally, is it not?

Mr. NIBLEY. I think that is true; yes, sir.

The CHAIRMAN. There is not so much building going on?

Mr. NIBLEY. Yes, sir.

The CHAIRMAN. But there is an improvement in that respect?

Mr. NIBLEY. I think there is.

The CHAIRMAN. With a run of prosperity, there would be a great demand for your lumber?

Mr. NIBLEY. There is sure to be in time.

The CHAIRMAN. I suppose you have not exhausted in a great measure your lumber resources on the Pacific slope?

Mr. NIBLEY. No; we have a very large amount of stumpage yet.

The CHAIRMAN. Do you not think it would be better for you to wait before you cut it all off, and get some of the high prices that will come ten or fifteen years hence, after the lumber stumpage in the United States is cut off? Do you not think it would be a blessing to you if it came that way?

Mr. NIBLEY. My banker will not let me wait. The sheriff would get me, probably.

The CHAIRMAN. Are you so badly off as that, after ten years of prosperity?

Mr. NIBLEY. Liable to be; yes.

The CHAIRMAN. You must cut this lumber all off, notwithstanding ten years of prosperity which you have had?

Mr. NIBLEY. Not cut it all off, but I must keep my mills going or else discharge a great number of men that are depending on them for employment.

The CHAIRMAN. Could you not honestly afford to take a little less profit than you have for the past ten years?

Mr. NIBLEY. No, sir; I do not think so.

The CHAIRMAN. And keep the sheriff away?

Mr. NIBLEY. No, sir; I do not think so.

The CHAIRMAN. Is the margin so small as that?

Mr. NIBLEY. Yes, sir; we have only made a fair and reasonable profit in the ten years.

The CHAIRMAN. How much did you make in the year 1906?

Mr. NIBLEY. I could not say offhand; probably 10 or 15 per cent on our investment.

The CHAIRMAN. Have you averaged that for a number of years prior to 1906?

Mr. NIBLEY. No; prior to that it was less; some years very much less.

The CHAIRMAN. From 1900 to 1906, what was the leanest year?

Mr. NIBLEY. Between 1900 and 1906? We have always averaged close to 10 per cent in our business.

The CHAIRMAN. You have averaged 10 per cent?

Mr. NIBLEY. Yes; close to 10 per cent.

The CHAIRMAN. Are you sure the reducing or the taking off of the duty would make any difference in prices?

Mr. NIBLEY. I think it would.

The CHAIRMAN. Are you familiar with the cost of manufacturing lumber in Canada?

Mr. NIBLEY. Not very familiar; no.

The CHAIRMAN. Suppose it should turn out that they had to pay as much for labor there, or even more than you pay, and that the machinery was brought there, imported from the United States and paying a duty of 30 per cent under their tariff, because there was no competition, would they still be in as favorable a position as you to supply the United States?

Mr. NIBLEY. To some parts of the United States they would be in very much more favorable position than we.

The CHAIRMAN. I was speaking of British Columbia.

Mr. NIBLEY. I, too, am speaking of British Columbia.

The CHAIRMAN. So near you?

Mr. NIBLEY. They could send lumber by the Canadian Pacific Railroad into certain markets in the East for less than we could, because of the freight rate.

The CHAIRMAN. The freight is less?

Mr. NIBLEY. Yes, sir.

The CHAIRMAN. How much less?

Mr. NIBLEY. I could not say.

The CHAIRMAN. Have you any idea about it?

Mr. NIBLEY. Since we have been here we have had that question up.

The CHAIRMAN. If you do not know that, you can not determine whether on the whole they have any advantage or not without the duty.

Mr. NIBLEY. I have understood the difference in freight was something like \$2 or \$3 per thousand feet.

The CHAIRMAN. How much?

Mr. NIBLEY. Two or three dollars per thousand feet of lumber.

The CHAIRMAN. But you do not know how much more they pay for machinery or how much more they pay for labor?

Mr. NIBLEY. No, I do not. I know they do not pay, as a rule, any more for labor. They pay less in most cases.

Mr. FORDNEY. Do you export any?

Mr. NIBLEY. No, sir.

Mr. FORDNEY. In the make-up in the cost of your lumber there is a vast difference in the price of stumpage in British Columbia as compared to Washington and Oregon, is there not?

Mr. NIBLEY. Yes, sir; I believe so.

Mr. FORDNEY. That would hurt very materially, would it not, if that timber came in competition with yours?

Mr. NIBLEY. That is our judgment.

Mr. FORDNEY. Especially on your low grade?

Mr. NIBLEY. Yes, sir.

Mr. FORDNEY. What portion of your product is low grade?

Mr. NIBLEY. Our proportion in eastern Oregon is nearly 90 per cent low grade.

Mr. FORDNEY. That is under clear, you mean?

Mr. NIBLEY. Yes, sir.

Mr. FORDNEY. Take out your good common.

Mr. NIBLEY. There is about 40 per cent of that.

Mr. FORDNEY. Where do you market the most of that 40 per cent?

Mr. NIBLEY. In Idaho and near-by States.

Mr. FORDNEY. You do not get very far away with it, on account of high freight rates?

Mr. NIBLEY. That is correct.

Mr. FORDNEY. The low grade from Canada, coming in competition with your lumber, would greatly or materially interfere with your business, would it not?

Mr. NIBLEY. Well, it would just depress the market that much; yes, sir.

Mr. FORDNEY. You do leave a large per cent of your low grade in the woods now?

Mr. NIBLEY. We do now, when lumber is so much cheaper than it has been.

Mr. FORDNEY. That \$2 tariff on lumber does not seem to affect your market nearly so much as when there are prevailing low prices like there are now?

Mr. NIBLEY. No, sir.

The CHAIRMAN. When lumber is high, you do not need the duty?

Mr. NIBLEY. If it were high enough, we would not.

The CHAIRMAN. In 1896 you did not need the duty, did you?

Mr. NIBLEY. I do not know about that. I would not want to say offhand.

The CHAIRMAN. It is your opinion, or can you give an opinion?

Mr. NIBLEY. Yes; I can give an opinion that I think lumber should have its reasonable share of protection just the same as iron or steel or any other commodity. That is my opinion.

The CHAIRMAN. Some one said a few moments ago that 80 per cent of the cost of lumber was labor. Is that true?

Mr. NIBLEY. Substantially so.

The CHAIRMAN. That was the cost of production?

Mr. NIBLEY. Yes; not including stumpage.

The CHAIRMAN. No; I said labor. Of course that would not include stumpage.

Mr. FORDNEY. You said labor was 80 per cent of the cost of production. That is not right, if you include stumpage?

Mr. NIBLEY. The 80 per cent I would take to be labor, and about 20 per cent to be other incidental charges outside of stumpage.

Mr. FORDNEY. To answer the chairman, labor is not all the cost that enters into the cost of production of lumber?

Mr. NIBLEY. No, sir.

Mr. FORDNEY. It did not include stumpage, and stumpage is an item in the question when put on the market?

Mr. NIBLEY. Stumpage is certainly a matter to be considered.

Mr. CLARK. The price of lumber, when you get through with it, ready to deliver it, is made up of the stumpage plus the labor?

Mr. NIBLEY. Yes, sir.

Mr. CLARK. That is the whole of it?

Mr. NIBLEY. And what profit we put on.

Mr. CLARK. Except the interest on your plant?

Mr. NIBLEY. Yes, sir.

Mr. CLARK. Then, the cost of lumber f. o. b. the cars nearest to your place is stumpage plus labor plus interest plus wear and tear on machinery. How much of the total is labor, in per cent?

Mr. NIBLEY. I should say of the total probably 70 per cent is labor.

Mr. CLARK. It got right back close to where it started from.

Mr. NIBLEY. About 70 per cent is labor. Some places it is more, and some places it is less.

Mr. CLARK. How do the Canadians happen to get such a lower freight rate than you do?

Mr. NIBLEY. I do not know. The managers of the Canadian Pacific Railway could probably enlighten us on that.

Mr. CLARK. We might get some enlightenment on this side of the line.

Mr. NIBLEY. I could not tell you as to freight rates, why they are higher here.

Mr. CALDERHEAD. Do you ship to Kansas or Nebraska?

Mr. NIBLEY. Yes, sir.

Mr. CALDERHEAD. To Lincoln and Kansas City?

Mr. NIBLEY. Yes, sir; a little as far as Lincoln; practically in western Kansas and western Nebraska.

Mr. CALDERHEAD. Over what road do you ship?

Mr. NIBLEY. Mostly over the Union Pacific.

Mr. CLARK. Where is LeGrande located?

Mr. NIBLEY. Three hundred miles this side of Portland, Oreg.

Mr. CLARK. This difference in freight rate you are talking about over the Canadian road and the American roads, is from some central point where they determine freight rates, or is it all along the line locally?

Mr. NIBLEY. From western Canada—for example, British Columbia country.

Mr. CLARK. What is the point in Oregon that fixes the freight rates? Is it Portland?

Mr. NIBLEY. We have a less rate to certain points east than Portland does, to certain nearby points.

Mr. CLARK. But you have the same rate from your point as does Portland to Kansas City or Chicago?

Mr. NIBLEY. Yes, sir; from Portland or eastern Oregon we have to pay the same rate.

Mr. UNDERWOOD. When you go west, the freight of your Canadian competitors equalizes the situation, but when you go south along the coast you have the advantage of freight, do you not?

Mr. NIBLEY. We do not reach with our product farther east, except on some shop lumber. We send a little of that into Chicago and Milwaukee, but as a rule our lumber is sold in the interior.

Mr. UNDERWOOD. Going westward, the freight rates equalize themselves. In other words, the Canadian shipper can ship as cheap as you can, but going down the Pacific coast the freight rates are in your favor, are they not?

Mr. NIBLEY. They would be, I suppose; yes, sir.

Mr. UNDERWOOD. How much in your favor are they?

Mr. NIBLEY. I could not give you that. I could not tell you how much that is, because I am not posted on those Canadian freight rates.

Mr. UNDERWOOD. Do you sell any large proportion of your output down the coast southward?

Mr. NIBLEY. No, sir. We come east by rail nearly altogether.

Mr. UNDERWOOD. What was the amount of your profits on run-of-mill per thousand during the ten years preceding 1907, on an estimate?

Mr. NIBLEY. That would be difficult for me to say offhand. I could not answer that right offhand, but we made a reasonable profit, close to 10 per cent, taking an average of the years.

Mr. UNDERWOOD. Is yours a stock company?

Mr. NIBLEY. Yes, sir.

Mr. UNDERWOOD. Did you pay a dividend in those ten years?

Mr. NIBLEY. Yes, sir; in most of them.

Mr. UNDERWOOD. A dividend of how much?

Mr. NIBLEY. Ten or 12 per cent, and one or two of them we did not pay any dividend.

Mr. UNDERWOOD. Out of the ten years did you average a dividend of 10 per cent per year?

Mr. NIBLEY. I should say from 8 to 10 per cent. I could not say exactly offhand.

Mr. UNDERWOOD. Did you put any of your profits in betterments or purchasing new lands or new buildings?

Mr. NIBLEY. New lands and new buildings would be a matter of new investment.

Mr. UNDERWOOD. Did you buy that out of your profits or did you buy it out of new capital?

Mr. NIBLEY. We do not count that as profit. We do not want to have our cake and eat it, too.

Mr. UNDERWOOD. Did you take any profits that your mills made, aside from your dividends, and invest in betterments or new lands?

Mr. NIBLEY. Not to any great extent.

Mr. UNDERWOOD. Then you claim the total profits that you made out of your mill were less than 10 per cent during the ten years?

Mr. NIBLEY. Yes, sir.

Mr. GRIGGS. That includes the money you put into the extra lands?

Mr. NIBLEY. Yes; that includes the profit on everything.

Mr. GRIGGS. That was another profit also?

Mr. NIBLEY. No, sir.

Mr. GRIGGS. I have heard two of you gentlemen speak of conservation of forests. You said, "We want the forests preserved and want to make them worth preserving." I believe that was about your language.

Mr. NIBLEY. I did not say that. That was the language of the speaker before me.

Mr. GRIGGS. Do you not indorse what he said about that?

Mr. NIBLEY. Yes; to some extent.

Mr. GRIGGS. I want to know how you can make the forests worth preserving.

Mr. NIBLEY. I suppose Mr. Freeman's idea was, as my idea would be, that if you will keep or maintain this tariff, or the tariff is high enough, you make your forest that much more valuable.

Mr. GRIGGS. Not as forests, though.

Mr. NIBLEY. Yes; as forests.

Mr. GRIGGS. You do?

Mr. NIBLEY. Yes.

Mr. GRIGGS. How?

Mr. NIBLEY. Because that timber, whether it is in Pennsylvania or Missouri, or wherever it is, is worth just that much more if the tariff is on the lumber. That is the theory of the tariff.

Mr. GRIGGS. But if it is never to be cut?

Mr. NIBLEY. We do not have timber never to be cut.

Mr. GRIGGS. Then this is merely a temporary preservation?

Mr. NIBLEY. No; I would regrow the timber. Timber will grow in this country, you understand, and it will grow if it is conserved and taken care of.

Mr. GRIGGS. Is it not really your idea that the higher you make lumber the less of it the people can buy, and therefore the more the forests will be preserved?

Mr. NIBLEY. No; I do not think that is true. That has been thrashed out pretty well. I do not think it is necessary for me to argue on that.

Mr. GRIGGS. I do not ask you to argue. I just ask your opinion.

Mr. NIBLEY. My opinion is the Republican opinion, that with everybody at work, even if things are higher, they have money to buy something and are better off.

Mr. HILL. The lumber which you ship East is such as flooring, ceiling, siding, and so forth?

Mr. NIBLEY. Yes, sir.

Mr. HILL. And a very large amount of labor put upon it to fit it for the market?

Mr. NIBLEY. Yes, sir.

Mr. HILL. When the price is very low, and it is a question whether you are making money or not, if you should close your mill, in order to save your forests, as has been suggested here, you would throw out of employment a large number of men, reduce their purchasing power, and create a condition throughout the country most disastrous?

Mr. NIBLEY. Yes, sir. That is, if all men in that condition would do the same thing.

Mr. HILL. And a lumberman is not necessarily any more free from debt than the average man in the average business?

Mr. NIBLEY. I have never been entirely free from debt; no, sir.

Mr. HILL. I am in the lumber business and I have been in debt ever since I was married, and I owe my mother-in-law a debt I never can pay.

Mr. NIBLEY. As to the question of interest or percentage of profit, the main company with which I am associated—the Grande Ronde Lumber Company, which has its principal business in Canada—has paid 6 per cent; that is, we pay one-half of 1 per cent a month. We have done so for five years, and we have owned that only six years. In that company we put a little more into timber, so I estimate we have made probably 9 or 10 per cent.

The CHAIRMAN. How much more stumpage have you now than when you commenced?

Mr. NIBLEY. We have not quite as much.

The CHAIRMAN. How much more is it worth?

Mr. NIBLEY. I think the stumpage has increased in six years. Our stumpage costs us a little more than a dollar a thousand. I think that stumpage ought to be worth in six years \$2, for this reason: If you will take \$2, and add 7 per cent (which we have to pay at the banks), and pay the taxes (which are 30 or 35 mills—3 or 3½ per cent), and compound that each year, and then consider your risk from fire 1 per cent, you will find that in the course of ten years your \$2 has grown to be \$6.59.

The CHAIRMAN. You have paid it out of the business? You have paid all this out of the business?

Mr. NIBLEY. Yes; we pay that out of the business.

Mr. HILL. There is no income on that kind of stumpage? That is just an investment?

Mr. GRIGGS. Do you not charge that out of your business?

Mr. NIBLEY. Yes, sir. That is part of this extra 4 per cent that was mentioned.

Mr. CLARK. If you take that stumpage increase and this dividend of yours, it amounts to 110 per cent. You have 100 per cent clear velvet on that stumpage business? In addition to that, you have a dividend of 10 per cent a year?

Mr. NIBLEY. No; the dividend, I said, was only about 6 per cent.

Mr. CLARK. Well, 9 per cent or 10 per cent is what I think you said. Nine times 6 would be 54, and added to 100 it would be 154 per cent profit on the six years.

The CHAIRMAN. We have all the figures, and I do not think we can get any more light on that. Do you want to answer that last question?

Mr. NIBLEY. I did not catch the question clearly.

Mr. CLARK. In answer to the chairman you said the value of your stumpage is about double what it was six years ago.

Mr. NIBLEY. Yes, sir.

Mr. CLARK. That is 100 per cent.

Mr. NIBLEY. Stumpage worth a dollar two years ago is worth two dollars to-day.

Mr. CLARK. That is 100 per cent?

Mr. NIBLEY. Yes, sir.

Mr. CLARK. You declare a 9 per cent dividend on that business?

Mr. NIBLEY. No; 6 per cent.

Mr. CLARK. The statement has been changed, then.

The CHAIRMAN. Oh, no; it was not.

Mr. CLARK. Six times 9 would be 54, and 100 plus 54 would be 154 per cent that you have made, minus whatever the taxes were, and 1 per cent for fire?

Mr. NIBLEY. And depreciation on your plant?

Mr. CLARK. Yes.

Mr. HILL. Assuming that it did not cost you anything to carry this, those figures would be somewhere within a mile of the bull's-eye.

Mr. DALZELL. The stumpage has increased in value. You have taken off something for that?

Mr. NIBLEY. We have taken off from that.

Mr. CLARK. That would cut it down 50 per cent?

Mr. NIBLEY. Yes.

Mr. CLARK. That still leaves you 104 per cent. Every time you buy you double your money?

Mr. NIBLEY. I bought a lot on the Short Line, in one of the little towns, for \$50, and I sold it in three or four years for \$200.

Mr. CLARK. You made 300 per cent.

Mr. NIBLEY. There is no law against that.

Mr. CLARK. There is no law against it, but there is no law upholding it.

Mr. NIBLEY. Yes, there is.

Mr. CLARK. You are asking the Government to guarantee that you can go on making this profit you have been making at the expense of the people.

Mr. NIBLEY. No; it does not ask for anything at the expense of the people.

Mr. CLARK. There is another thing I want to know. Take those timber States up there—Oregon, Washington, Idaho, and Montana—if they have any timber, I do not know whether they have or not. They can not produce annual crops like we do down in our part of the Mississippi Valley. As soon as you get this timber cut off, that land is worth nothing except for sheep pasturage that you mentioned?

Mr. NIBLEY. Practically.

Mr. CLARK. Why do not either these big companies that own such an immense amount of that land, or the State in which it is located, go into this reforestation business in some scientific way, because it must be plain to anybody that as soon as they cut this timber off, those States will be bare and almost worthless.

Mr. NIBLEY. They let it go for the reason I have already told you, that what is everybody's business is nobody's business.

Mr. CLARK. Why do not the States take it up?

Mr. NIBLEY. They do not believe in State's rights.

Mr. CLARK. The National Government of course is the great pap institution.

Mr. HILL. These gentlemen are making a point out of the matter of the profit and dividend which you mentioned. You stated you had less stumpage than when you started?

Mr. NIBLEY. Yes, sir.

Mr. HILL. If you have paid a dividend it is quite likely it is out of the stumpage you have cut off?

Mr. NIBLEY. Yes, sir.

Mr. HILL. Because the stumpage you have on hand is worth double what it was six years ago, it is not due to the great profit in the business, except as to the advance in the price of timber in the country, and the general value of stumpage?

Mr. NIBLEY. Yes; that is right.

Mr. HILL. You have not gotten rich in business in that time?

Mr. NIBLEY. We do not think so.

Mr. HILL. You are making your fair profit?

Mr. NIBLEY. That is all we can make; yes, sir.

Mr. GRIGGS. Have you not charged up this stumpage every year that you have used up?

Mr. NIBLEY. No, sir.

Mr. GRIGGS. You have not charged that on your books at all?

Mr. NIBLEY. Oh, yes; we carry it on our books.

Mr. GRIGGS. But you do not charge it off?

Mr. NIBLEY. We keep an account of stumpage, what it costs us, and then charge one to two dollars a thousand as against that.

Mr. GRIGGS. Therefore, on your books you have carried this stumpage all this time, and you have less stumpage on your books now than you had six years ago?

Mr. NIBLEY. I could not go into those figures; I could not tell exactly.

**STATEMENT OF D. E. SKINNER, OF SAN FRANCISCO, CAL., WHO
STATES THAT LUMBER INDUSTRY NEEDS PROTECTION.**

FRIDAY, *November 20, 1908.*

Mr. SKINNER. I represent the Port Blakely Mill Company. I may say that I happen to be a representative of the corporation that has probably enjoyed the largest output of any single concern in the United States in lumber for the last fifty years, especially the largest export.

We have been particularly interested in the export portion of the business, and as this duty does not apply to that portion of the business, it will appeal to you that a reduction of the duty would probably have little effect on our business, for at least 60 per cent of our business is export, but we wish to have this protection. The practical result of the thing would be perfectly apparent to anyone studying it, and that would be that any increase in the consumption of lumber or the production of lumber that would be consumed in the United States would force those who are competing with us into other markets, who naturally now ship coastwise, to send a portion of their material into our channels for export trade. We find that our market fluctuates up and down, and follows the market of the East and coastwise trade, just the same and in the same ratio of prices.

I noticed the other day that Mr. Batchelor, who, the paper said, was the chairman, I believe, of the Farmers' Grange, spoke here at a meeting, where he said that the grange wanted everything taken off the protected list that allow the manufacturer of American products to sell in the United States at a higher price than he sold abroad. I want to say to you frankly we can refute that statement in regard to our business. We ship all our products at least on an average of 20 per cent higher to export trade f. o. b. the mill than we do to the American trade. That can be explained on account of the fact that it takes sometimes a little more difficult sizes, sometimes a little better grade, and to some extent because the material that carries the sap will not stand a long voyage.

Mr. HILL. On that export trade you meet the foreign competition of British Columbia?

Mr. SKINNER. Yes, sir.

Mr. HILL. How do they get 20 per cent more for it than they can at home?

Mr. SKINNER. We all get 20 per cent more for it. We all get 20 per cent more in price. If the price of lumber f. o. b. the mill for shipment east is \$10, I should say without any question the average price for shipment export, f. o. b. the mill, would be \$12.

Mr. HILL. Do you say that 60 per cent of your trade is export trade?

Mr. SKINNER. Our particular mill, understand, exports.

Mr. HILL. Do you export any to British Columbia?

Mr. SKINNER. Most certainly not. We could not carry coals to Newcastle. We ship to Australia, and principally to the west coast of South America and the Orient, and in 1906 we shipped, I think, 12,000,000 feet to New York City, around the Horn.

Mr. HILL. You get higher prices export from Seattle than you get for domestic trade?

Mr. SKINNER. Yes, sir. I live in San Francisco, because we happen to need the facilities for banking and exchange conditions there, and cable conditions, which we can not secure at Seattle.

Mr. HILL. You get 20 per cent more for your export lumber than you do for lumber sold at home, for the same grade?

Mr. SKINNER. Yes, sir.

Mr. HILL. And on that export trade, of course, you meet the competition of British Columbia, so that export prices are 20 per cent higher in full competition with British Columbia, and yet you fear British Columbia shipping into the United States?

Mr. SKINNER. Yes, sir; by all means. If you would encourage that trade, Mr. Hill, you would have an increase of 40 per cent of the product which they can not ship export; to such an extent they would have to find a market somewhere at any price, and it would have to come here. I will tell you frankly I want to distinguish, and I want the committee to distinguish, the difference between the manufacture of lumber and the holding of timber. I am not unwilling to admit that I am a large holder of timber, and I think I have a perfect right to invest in timber, even though I do not own a sawmill. And I think I have a perfect right to own a sawmill, even though I do not invest in timber. I want that distinction made.

Another thing I should like to explain, if I may, is that we have watched this situation for a great many years, and although I am not old enough to have started with the company when it started, we have the history of it still on our books. We know that the increase in population in British Columbia and in the territory that is adjacent to British Columbia is not large enough to increase their output very rapidly. The result will be that we will have that timber there ten or fifteen years from now without any cost to us, and it is a pretty good storehouse for us to keep it in, too.

Other gentlemen have tried to explain to you, and I believe very satisfactorily, the difference in the cost of maintenance of timber reserves on this side of the line and on the other side of the line. I am also frank to admit I think it has been a very good thing indeed that there have been large increased holdings of timber land in private hands. The Government to-day represents probably a quarter, or at least 20 to 25 per cent, of the holdings of timber in the United States. I presume if the Government had gone on and sold that 20 or 25 per cent which they hold under the homestead laws it would have all been destroyed.

Mr. HILL. On that theory, when timber is all cut off in Washington and Oregon you will be in favor of the free admission of lumber from British Columbia?

Mr. SKINNER. No, sir. Those who have timber limits in British Columbia want to occupy this market to-day. I am quite confident, in the case of the big corporations, from all I can learn from my associates and from others, that they are simply figuring on the cruise, and they have not got 40 or 50 per cent even of the individual statements of cruise.

Mr. HILL. Your idea would be to maintain the duty on lumber to expedite or permit the American product in Washington and Oregon to be cut off, with a view of ultimately having free trade when it is cut off, and letting the British Columbia lumber into the United States.

Mr. SKINNER. No, sir; that is not my idea at all. They will not increase their output proportionately over there, and that timber will remain there, and when it does come here the price will be high enough so that they can pay \$2 or \$3 or even \$5 a thousand duty, and this Government will get something out of the revenue from that lumber that comes here. I do not care what the duty may be, that timber will come here. Kindly understand, too, that we have come in conflict with all the conditions all over the Pacific, and that the Canadian side is not the only side we have to confront.

There is the Yalu River and the Mexican district, and, in fact, I should like if I could show you that that which lies just across an imaginary line is not the only competition we have to confront. I have some memoranda here that I should like to submit. There has been a statement made here, Mr. Chairman and gentlemen—

The CHAIRMAN. I will say to you that I supposed you had concluded your remarks. The committee had asked you questions, and I thought you were through.

Mr. SKINNER. I beg your pardon, sir; but I asked you if you would not permit me not to have to make my speech in six minutes before dinner. Still, I do not want to extend it very much.

The statement has been made here to-day that the rate of wages in British Columbia and on the other side, especially in the Kootenai country, between the Selkirk and the Cascade ranges, is the same as on this side, or higher; also, that the cost of machinery is practically the same. I cite the committee to the fact that machinery is being constructed in Canada to-day, especially in Hamilton and in other places, by concerns that have been created by concerns on this side, to avoid that duty. They are duplicating their machinery and building it in Canada, for use in Canadian mills, the most of it—at least, a great share of it—so that they will not have to pay a very large portion of the duty that is supposed to be paid on the machinery that enters into their mill construction.

Also, we have here some pictures in which the committee will, perhaps, be interested; and we would like to have the privilege of having them printed in the record at our own expense. They show the oriental labor; and we also have statements as to the price paid them, and the affidavits of the people who have taken these pictures, showing the amount of oriental labor used in the Canadian mills as compared with those used in the American mills. We have about ten thousand orientals in Washington State, I believe; and in British Columbia there are 60,000. I should judge, from the pictures which come to us well vouched for, that the majority of those used in the mills—in fact, the statements say that probably 80 per cent of the men who are employed around the mills—are orientals. Some of them are Hindus, only earning from 80 cents to \$1.25 per day. We claim that there is a considerable difference in the cost of manufacture, and that we are entitled to a reasonable consideration for that difference in cost of manufacture.

We also want you to understand, Mr. Chairman, that it is a very serious question, even if we could grant that the cost of manufacture was the same on the other side, as to whether the wage should be paid on the other side or on this side of the line; and we urgently request that the conditions shall continue by which the wage can be paid on this side of the line and the timber remain on that side, if necessary.

Before we adjourned a little while ago I stated that Mr. Pinchot's estimate of about 1,400 billion feet of timber was supposed to be made from the cruises of the individual holders, 60 per cent of which, I think, is about what he secured (I do not believe he secured the remaining 40 per cent); and, in addition, the cruises on the holdings of the Government. That does not represent at all, of course, the amount that the land will yield. It is simply the result of the cruise. The Bureau of Corporations came to me and asked me for a statement of the amount of our cruising. I gave it to them very frankly and honestly; but I knew that our cruising would yield considerably more, as it is always recognized that the cruise is less than the yield.

I understand that the Department of Forestry's statement is that the total consumption in the United States annually is about 150,000,000,000 feet. They jump anywhere from 100,000,000,000 to 150,000,000,000 feet, 40,000,000,000 to 50,000,000,000 feet of which is composed of lumber and shingles; the balance of cordwood and wood for various other purposes. I should judge, from traveling across the continent many times, that the average farmer is growing about all of the wood that is used for his ordinary purposes.

Then, again, more particularly, we wish to call your attention to the fact that when they estimate the amount that is used, they estimate the total cubic capacity of the tree, including the limbs and all; but when they estimate the amount of standing timber, they give you the amount of standing timber which they estimate on the government reserves, and nothing but the cruise, and they give you the portion of the private holdings which they can get. I do not think it is quite fair to estimate the length of time that the timber will last in the United States by dividing the amount estimated in any such manner.

Our experience has taught us, from our shipments to New York, that the most serious competition we have to expect is from the Yalu River, the Saghalien Islands, from Canada, from Mexico, and from Alaska, into the east-coast States. They have the privilege of the use of foreign bottoms there at a considerably less rate than we have, because we have practically exhausted all of the American vessels that ply between the two coasts, and of course you recognize the fact that foreign bottoms are excluded from plying between the two coasts. We ask that we have some protection in consideration of that condition which we shall have to meet in the future, and more particularly when at the end of five or six years the canal will probably be in operation, or at the end of ten years, or whatever the approximate time may be. The Government has promised to have it done within a reasonable time, and we look forward to the time when the operation of the canal will allow the importation of enough wood from the west coast to take care of practically, if necessary, a great share of the demands of the New England States and as far west as Pittsburg and Buffalo on a water rate via the canal, or even now in a foreign bottom via the Horn, at no higher rate than it costs to ship across the country by rail.

We also have to take into consideration the fact that if we have no duty we are handicapped the difference of practically the amount of the present duty in our coastwise shipments. They have been barred

from our coastwise trade, which amounts to 1,250 million feet a year in San Francisco and San Pedro, Los Angeles and San Diego. If they had an opportunity to compete with us in our coastwise trade with foreign bottoms, they could reduce the freight rate at least \$1.25 per thousand—I should estimate nearly \$1.50 on the average—because you can operate a steam schooner much cheaper than you can operate a sailing vessel; and the sailing vessels are carrying the larger part of the trade to-day. If they do monopolize a good deal of that trade, naturally that must force back just so much of the balance of our trade, compelling us to reach into the eastern trade, demoralize the eastern conditions, close our mills, reduce our wages, and probably deprive the 190,000 men that we estimate we are using in the mills to-day on the coast, with all of their families and all of those dependent upon them, of a fair portion at least of their wage and of their occupation.

The CHAIRMAN. I understand that you would like to have those illustrations printed in the record?

Mr. SKINNER. Yes, sir. Can we put these in and have them printed in the record if we have the work done at our own expense?

The CHAIRMAN. We shall not be able to get them in the daily record, because there is not time to prepare the plates.

Mr. SKINNER. I understand that.

The CHAIRMAN. And I think perhaps you had better make the arrangement with the Public Printer about them, because, as I understand it, the committee has no authority to order any illustrations without the consent of the Joint Committee on Printing of the two Houses. That is the way I remember the law. But there would not be any objection to your making arrangements with the Public Printer and then having them come into the permanent record when it is printed and bound in a volume. You could not get it in the daily record, of course.

Mr. SKINNER. We wish to thank you, sir, for that courtesy.

F. H. LAMB, OF HOQUIAM, WASH., APPEARS IN THE INTEREST OF RETENTION OF PRESENT DUTIES ON LUMBER.

FRIDAY, *November 20, 1908.*

Mr. LAMB. Mr. Chairman and gentlemen of the committee, I have come 3,000 miles, apparently to be sheared, and I am willing to take the medicine. I represent the Lamb Timber Company and the Washington Logging Brokerage Company. Both of those companies are engaged in logging. I will state, also, as prefatory to what I desire to say, that I was interested a little in forestry long before I became interested in logging. Some ten years ago I took up a timber claim under the Government and earned enough money to take me to Baltimore for a few months, and there I studied forestry. Since then I have gone into logging work.

You will understand that on the Pacific coast logging is an entirely separate industry from sawmilling, and it concerns the material from which lumber is made only from the forest to the log. Therefore I know nothing regarding lumber and shall not be able to answer

any questions along that line. But the point that I wish to make is that on the Pacific coast, from which a very large part of our timber supply for the future must come, there is a differential in the cost of logs as compared with Puget Sound conditions and British Columbia conditions of from \$1 to \$3.50 per thousand in the open market. The timber lies on both sides of an imaginary line, and there must be some reason for that difference in price.

The two factors which enter into the price of logs (which are the chief supply, the first raw material, of lumber) are stumpage, about which you have had so much trouble to-day, and logging cost. I want to state here that I am the owner—I might say one of the monopolistic owners—of stumpage. I own about 100,000,000 feet. Putting that down in ciphers, it sounds awfully large. Figuring it up on the basis of the entire country, I believe I own one ten-thousandth of all the stumpage in the United States, if Mr. Pinchot is accurate in his estimates (which I very much doubt), according to the figures given here this evening.

The stumpage of British Columbia is obtained from the government, as has already been stated to you, and the average price is approximately 75 cents per thousand. Fifty per cent of the purchase price is deferred, and must be paid to the government as a royalty tax. The other 25 cents is for bonus to an "unearned increment," if you wish to call it such, granted to those who have taken up these leases in the years gone past. The average price of stumpage in Washington is approximately \$2.50 per thousand, making a difference there in the cost of stumpage of about \$1.75 per thousand.

The question of wages as an item of logging cost has been gone into very fully; but I simply wish to state that, in my opinion, the difference in cost of wages between British Columbia and Washington is very small. For a good many positions we pay the same wages. For railroad construction and the cheaper labor it is possible for the British Columbians to employ alien or foreign labor, which we can not do. The cost of supplies in British Columbia, machinery and tools, as has been stated here, is somewhat higher on certain articles, as I happen to know, as I am manufacturing them for the British Columbia market. On other supplies, such as wire rope, railroad material, etc., the British Columbians can buy cheaper than we can. So that, on the whole, so far as regards the actual cost of labor, there is very little difference.

But it is in the position and quality of the timber that the difference in the cost of logging comes. Logging has been carried on in Washington for a great many years, and the timber has receded from the railroads. We have over 1,100 miles of railroads in the State of Washington devoted exclusively to logging purposes. The average haul of the Washington log is probably from 10 to 12 miles; whereas in British Columbia you can go up any of the tidewater streams and sloughs and put it in, and in some cases secure it from the government without any cost other than the royalty tax.

If it is a crime to own stumpage, and if it is a crime to gain any of the increment that comes from stumpage, then we will have to revise our theories of forestry to a certain extent. They taught me at Biltmore that forestry depended upon high prices for lumber—high prices for the product. If I had here Slick's text-book of forestry, I would quote that from it. But I happened to be able to

get hold of a statement by Doctor Fernow, who, as you probably know, was at one time at the head of the Forestry Division, in which he says:

It would be difficult for anyone to prove at the present time that the adoption of forestry methods would lead to immediate increase in profits.

That is, in holding and simply letting the land that is cut over remain in its natural state.

We will never succeed—

Quoting further from him—

in persuading the private owner until we have produced the conditions which make it possible to hold forest property uninjured for the long time which is necessary in order to reap the benefits.

Doctor Schenck, of the Biltmore Forest School, and in charge of the Biltmore estate—a trained German forester and an admirable lumberman at the same time, says:

The greater part of practical woods work will be in the line of lumbering, and the lesser part will consist of silviculture, merely because silviculture is not as safe an investment at present, nor is it as remunerative, as lumbering.

These were quotations made at the Forestry Congress, and there was the testimony of others there who were not trained foresters that forestry in the United States can not be made a profitable business at this time. For what reason? Because the returns would not justify any man in putting his money into the property and guarding it, planting it, or even, where it is not necessary to plant, letting the natural growth take care of itself. Those who stated this were Howard Elliott, J. E. Defebaugh, John L. Call, Frederick E. Weyerhaeuser, and George H. Emerson. I shall not bother to read their language, because it seems so apparent, to me at least, that when you talk about instituting forestry methods in this country to save our timber you must also take into consideration the fact that timber grown under forestry methods will be dearer timber than that obtained by forest exploitation. That is a statement of forestry which no one can disprove.

What else do you mean by "the conservation of the timber of the United States," unless it is growing it under forestry methods in accordance with the ideas of the average forester?

Why am I here to urge the retention of the present duty? It is simply because I believe that it will be the best thing for the lumbering and logging industry of the whole country, and therefore the best thing for the citizens of the country; because we are fourth in rank, and anything that affects us materially will affect all other classes of industry more or less. I wish to state, however, that I believe that the duty on lumber should be retained and that our stumpage should be allowed to receive all the advance that has come to it. And until that time—until the time comes when it reaches a plane where it is profitable to grow it—you will have no forestry or forest conservation on the private lands of the United States. You must remember that over 80 per cent of the forested lands of the United States are in private hands, and they are the ones that will be called upon to furnish the timber supplies of the future.

I have urged this. I am a member of the Washington State board of forestry. We have done a great deal in the past six years in

protecting the State from fire. We intend to take up the matter of forestry on State lands during the coming session. But outside of all these things we must look to private lands to perpetuate our timber supply.

If there are any questions regarding conditions on the Pacific coast I shall be glad to try to answer them.

The CHAIRMAN. Does the committee desire to ask any questions?

Mr. UNDERWOOD. You do not advocate an additional duty on logs? You are merely standing for the present duty? Is that it?

Mr. LAMB. That is all.

Mr. UNDERWOOD. The duty on logs?

Mr. LAMB. There is no duty on logs—on lumber.

Mr. UNDERWOOD. There is no duty on logs at present?

Mr. LAMB. No.

Mr. FORDNEY. Mr. Lamb, you have been a logger in the State of Washington?

Mr. LAMB. Yes, sir.

Mr. FORDNEY. Did you leave any proportion of your timber in the forests on account of its not being profitable to take it out?

Mr. LAMB. I believe that in the woods of Washington at least 50 per cent of the cubical capacity of the entire tree is left in the woods.

Mr. FORDNEY. Why?

Mr. LAMB. Simply because we can not afford to take it to market and make a profit on it. We do take a great deal of stuff that we do not make a profit on; and we depend upon the better class of material to even it up. But beyond a certain point, if we take it all, it means only financial bankruptcy.

Mr. FORDNEY. If the price of lumber in the market for the low grades was high enough you could take it clean, could you not?

Mr. LAMB. If it was high enough; and along that line I will cite a comparison between last year and this. Last year logs were selling at from \$10 to \$12 per thousand; this year from \$8 to \$9. Every logger on the coast is leaving in the woods from 10 to 20 per cent of the material that he took out last year, simply because the market will not take that low-grade stuff. If you put it in and take it to market, you can not sell it for anything at all.

Mr. FORDNEY. If the duty is taken off British Columbia lumber and their low grades come into our market, you would either have to leave more of your coarse timber in the woods or stop logging?

Mr. LAMB. That is, granting that it would have any effect upon our prices.

Mr. FORDNEY. Would not a greater supply of the low grades in your market right now have a tendency to reduce prices?

Mr. LAMB. Yes, sir.

Mr. FORDNEY. That is all.

Mr. RANDELL. You stated something to the effect that the material necessary in your business costs less across this imaginary line you speak of; in other words, that in British territory the material costs less than it does in the United States. Did I understand you correctly?

Mr. LAMB. What material is that—stumpage?

Mr. RANDELL. No; cables and chain and so on.

Mr. LAMB. I said that certain items would cost less there.

Mr. RANDELL. What sort of items?

Mr. LAMB. Wire rope and railroad materials, some classes of which are cheaper in British Columbia than in the United States.

Mr. RANDELL. Where is that material purchased?

Mr. LAMB. It is purchased from England, under preferential tariff duties granted to the colonies.

Mr. RANDELL. Is not most of their material purchased from the United States?

Mr. LAMB. Not in those lines. There is scarcely any American wire rope used in British Columbia, excepting when they happen to get out of odd sizes and have to send over for it across the line.

Mr. RANDELL. If the tariff remains as it is will not, in your opinion, the cutting of the timber be faster in your section of the country than it would be if the tariff were taken off?

Mr. LAMB. I did not understand you.

Mr. RANDELL. Would there not be more timber cut in your section of the country if the tariff remains as it is than if the tariff were to be removed?

Mr. LAMB. I believe so; certainly that would be the case if it would have any effect upon American conditions at all.

Mr. RANDELL. Then would there be more or less cut on the Canada side, on the British Columbia side?

Mr. LAMB. There would probably be more there.

Mr. RANDELL. If the tariff was allowed to stay as it is, there would be more than if it is removed?

Mr. LAMB. No. If the tariff was removed it would increase logging and lumbering operations on the Canadian side, especially in cedar, on which they can compete with us even with a 30-cent duty.

Mr. RANDELL. Some gentlemen here have said that the great reserve supply for the country is in that section, on both sides of that line. Do you think it would be better, just as a matter for the good of the country, to adopt a policy that would denude our forests first and leave the reserve in British Columbia, or denude their forests first and leave the reserve with us?

Mr. LAMB. This leads up to the question of whether the British Columbians are going to allow you to denude their forests. Understand that 99 per cent of the timber lands in British Columbia are granted under leases which are renewed from year to year, and the royalty can be fixed at any time, at any year; and it is unreasonable to suppose that the government of British Columbia is going to allow speculators to go in there and reap the "unearned increment," as some have called it, in stumpage. They have increased the stumpage rate, or "royalty," as they call it, on some leases, to 60 cents. If we take off the tariff and make their timber worth as much as ours, \$2.50, the government will undoubtedly raise their royalty, and they will take the benefit of it.

CHARLES W. GOODYEAR, OF BUFFALO, N. Y., URGES CONTINUANCE OF PROTECTION FOR THE LUMBER INDUSTRY.

FRIDAY, *November 20, 1908.*

Mr. Chairman and gentlemen, I want to confess at the outset that I know very little about this most complicated affair called the tariff. I am quite sure that in order to comprehend it, or understand its

various provisions and schedules and their relations to each other, I should have to give up all other business which I have and devote myself solely to this one question of tariff and schedules. I am not so egotistical as to think that by reading the bill through I could understand it, or even approach a fair comprehension of it. From my point of view, it is one of the most intricate and one of the most complicated affairs that the Government of the United States has to deal with. And for me to undertake to understand it with what limited time I have would be a work of supererogation. It would be useless. I would not know what I was reading after I got through.

With that premise, confessing my ignorance as I do and my inability to devote the time necessary to even attempting to understand the tariff schedules and their various relations to the different sections of the country, I want to say that, looking at the thing broadly and without attempting to understand details, I believe that as a matter of fairness between man and man, between one line of business and another in our country—the lumber industry—so long as the protective idea is to prevail, should have its fair percentage of protection against foreign importation. This country, by unanimous vote—not by unanimous vote, either, but by emphatic vote—has since 1896 declared that the principle of protection shall prevail rather than that of tariff for revenue only. To be sure, during the last campaign there was a plank incorporated in the Republican platform that was rather more liberal toward the “free traders,” as they are called—but unfairly, I think. They are not free traders. They are people who believe in a modified tariff to a greater extent than a great many people do who are members of the Republican party.

I believe there are very few people throughout the country who earnestly and seriously advocate absolute free trade for the country. I believe that there are a very much larger number who sincerely believe that we ought to act upon the basis of a tariff for revenue rather than of a tariff for protection; that the protective idea ought to be eliminated; and that we ought to tax the people upon their importations only for the purpose of getting revenue for the Government.

Looking at the matter in that way, as I have stated, and following out the idea that the people of this country have by emphatic vote declared that the protective idea shall prevail, perhaps, with some modifications, I may be permitted to add: If that is so, here is a large industry in our country which affords the means of livelihood to a very large percentage of our population. It has been stated that it is the largest single industry in the United States, considering it as a whole. Unfortunately for me, I represent a company which is engaged in the manufacture of hemlock lumber in the State of Pennsylvania. I also, with equal misfortune, represent a company which is engaged in the manufacture of yellow-pine lumber in the State of Louisiana. So that I think, without real substantial reason, I am supposed to know something about both the hemlock and the yellow-pine industries. I will state, however, that in the State of Louisiana the company which I represent completed a very large manufacturing plant something like about eight or ten months ago. It was practically ready for operation. We did not put it into operation before because of the very low price of lumber in the country generally. The market would not take it at a fair return of profit. We allowed that plant, which cost us something over two millions and

a half of dollars for the plant alone, with the necessary houses for taking care of the operatives and the necessary woods' equipment, etc., to lie absolutely idle, because there was no profit in running it; and we could not even get our stumpage cost back for a considerable length of time.

On the 1st day of September, however, hoping that business conditions would improve, we started the plant. It is now in operation and has been in operation since that time, with the exception of those short periods of time which intervene generally in the starting of a new factory. We had some breakdowns and some things to hinder a continuous operation. But to-day, even with some improvement in the lumber market generally, we find that it is very difficult to get anything more out of the lumber manufacturing industry than merely the cost of the stumpage. That is about all we can get back to-day. But so large a plant as that lying idle is losing money rapidly, and in order to make our taxes and interest charges, etc., we find it to our advantage (or at least it appears to be to our advantage now) to take up some of this stumpage, anyway, hoping that the new era which we assume is now upon us will produce something better than mere cost of production.

Then, again, there are a great many things which a large manufacturer, employing a considerable number of men, has to contend with. About the time that our mill was completed we found that we had a large number of men who had moved into the town and who had assumed that they were going to have continuous work; but we found it necessary to let them go for some time.

The CHAIRMAN. When was it that you completed your mill?

Mr. GOODYEAR. Sometime along last spring; I should say about March, or somewhere along there. We did not start it until September. Of course it is very easy for the unthinking to say that we are nothing but a hard-hearted, soulless corporation that does not care anything about its operatives, nor what their conditions are, nor how unfortunate they are, nor how difficult it is for them to support their families. But I do not believe that sort of sentiment prevails generally among the managers of large manufacturing corporations. I believe that they, on the other hand, have a kindly and tender sentiment toward their operatives, and that they much prefer to see them prosperous and to help them on rather than to see them lacking for the necessities of life. Whatever may be said in this regard, as I say, of the "soulless corporations," I do not believe that such sentiments as I have indicated prevail among the management.

For the purpose of this hearing I do not know that I want to advance any further argument than that, inasmuch as the articles which we consume are nearly all taxed in order to prevent foreign importation—that is, that the protective idea prevails in regard to them—and inasmuch as the rate of taxation now upon lumber is about 12 per cent, which is an extremely low rate, if we should enact laws in this country to-day for the purpose of producing revenue only, I believe there would be that much taxation in any event imposed upon the foreign importation of lumber. When you come to reduce all the schedules down to the basis of a tax for revenue, and consider all of the various lines of manufacture in the country which give employment to labor, it seems to me that the average of taxation would

certainly be fixed upon lumber at not less than that which is now imposed upon it, and that in making up these schedules for revenue only, the idea of keeping that tax upon lumber would prevail.

I think I have stated all I care to on that subject, and I simply want to call your attention to a few other items, and then I shall be through.

The honorable Mr. Clark has suggested, in a few instances here, that there was great uniformity in the prices of lumber throughout the country. If that is so, I have failed to discover it so far, although I have been in the lumber business something over twenty years. I know perfectly well that there is no uniformity in price in the hemlock business. In the hemlock lumber business our market is confined largely to the Eastern States, and largely in the Eastern States to New England and New York and what are ordinarily known as New York points, covering New Jersey and all that country lying about the North River and the East River and Long Island Sound, and so on.

Just to illustrate the fact that there is no such thing as uniformity in price: We have a sales agency in Chicago for yellow-pine lumber, and the other day our sales agent met a competitor, and said to him: "Let us show up; let us lay our hands down here and see who is getting the most for his lumber." It was agreed, and they each exhibited their schedules. Remember, it is not a question of uniformity in average price, because that would not be fair—there are so many different grades of lumber—but it is a question of uniformity in price of grades. They showed up their hands and their prices and their books, and when they had finished they found that we were getting, according to what the statement showed, a dollar a thousand more than the other fellow was getting. And for what reason? Why, I think we have a smarter salesman than he has. I think he is a sharper fellow. I think he will get out and get trade where the other fellow will not. He will go to a small dealer living back in the country instead of confining himself entirely to the big wholesaler in the large centers; and while his expense will be more, on account of his increased expense of travel, and his traveling men, etc., he gets an average price above that of the other chap, because he seeks the highways and the byways and gets back closer to the consumer.

I will venture to say that if you will take the mills of the South today, looking at this one product of long-leaf yellow pine, and take their books and see just what they are getting for their lumber, you will find an average difference of somewhere between 50 cents and a dollar a thousand; but you will find between the low man and the high man a difference of between two and three dollars a thousand.

Then, again, there is a difference in the reputation which mills get. For instance, one mill gets a reputation of making its grades of very high-class lumber. These grades are somewhat relative. For instance, I have known it to occur that your sales agent was a pretty easy-going sort of a fellow, and he sat with his heels up on his desk in his office at the mill and said to the millman: "Now, you want to make those grades up high. Just keep everything in your high-class lumber; get your grades away up." And when you came to look at it after a time he had a very small percentage of the high-grade lumber as compared with the others. The other fellow had been more

active, though his grades were of a lower class. That is, instead of having a large percentage of his A1 price of lumber, the very best there is in the lot, he had a small percentage; and in the next class, and the next, and so on, the whole difference ran through, until that mill got a reputation for selling lumber itself. It did not need traveling men. It was so good that everybody that got its product wanted more of it.

Somebody might say: "Perhaps he was getting more for his lumber," and that would be true; and the other fellow that came along would be selling the same grade as established by the grader, but it was not as good a class as the fellow that made it so much better that it sold itself. There is a great deal of that sort of thing. There is not a uniformity of grade. There is only a uniformity of classification, and the lumber in one class may be a great deal better than other lumber in the same class. And therefore you find that one mill sells its lumber without moving the salesmen out of the office, while the other fellow has to "drum" it hard to get rid of it at all. But the fellow that makes his grades so high is making his average price so low that he is not showing good results on the whole. That also occurs.

I will pass that along. Another suggestion that I want to make is that a lumber operation to-day has a large variety of things to contend with that tend to hold the price down. For instance, there is this competition of concrete or cement with lumber. I saw a statement in a paper that I have been trying most earnestly to find since I left this room; to the effect that, I think it was, five years ago there were some 4,000,000 tons of cement made in this country, and last year there were 48,000,000 tons. Anybody can see that that has necessarily displaced the sale of a large amount of lumber; because in those places where they used to make sidewalks of plank, and build houses of lumber, in a great many instances the lumber has been displaced by cement. Therefore the competition with lumber for building and construction purposes is not confined alone to the lumber itself, nor to the varieties of lumber that exist throughout the country. One kind of lumber competes with another, too. Because you are a manufacturer of yellow pine you need not think that that will not have to compete in some sections of the country with Oregon fir; and because you are a manufacturer of hemlock in Pennsylvania you need not believe for an instant that you will not have the competition of the yellow pine of the South.

Perhaps I am in that somewhat anomalous condition where I am constantly competing with myself, or where one of my companies is constantly competing with another. I know that the yellow pine to-day is being shipped directly into the market which has been for some years dominated by the hemlock trade. So that the lumber competition, the competition in its use, is not confined at all to any one kind of lumber with itself, but the competition may exist in many ways. And I know that even in New York our salesman in Chicago has recently been competing with our salesman in Buffalo, one man selling yellow pine and the other selling hemlock.

Some suggestion has been made here in regard to sawmill machinery and the machinery and appliances which sawmill men use in Canada having been bought in this country and having paid a tax when taken into Canada. I think, upon investigation, you will find that up to

date there has been very little of that done. Perhaps in some sections of the country some sawmill man who has been accustomed to some mill man's machinery—for instance, Filer & Stowell's machinery—may have gone out into the Northwest to manufacture lumber, and being familiar with their machinery he has said, "I am going to buy theirs, even if it costs me a little more." But the number of manufacturers of machinery in Canada has very largely increased in the past few years; and I am told, without being at all definite as to the amount, that the purchase of sawmill machinery in the United States for Canadian use has very greatly fallen off, and that they are buying their machinery now in Canada and a great deal of it in England for Canadian use, and the Americans have lost a good deal of the trade.

We all know, if we stop and reflect a moment, that in connection with railroad lumbering the American Locomotive Company has built a large locomotive plant in Montreal for the very purpose of taking care of the locomotive business in Canada, and lumbermen as a rule now practice railroad lumbering rather than river lumbering.

The CHAIRMAN. How long has that been in operation?

Mr. GOODYEAR. The Montreal plant of the American Locomotive Company?

The CHAIRMAN. Yes.

Mr. GOODYEAR. I should say that had been in operation about two years. It is a rather recent production there.

In regard to forestry, I was rather impressed with the suggestion made by the honorable Mr. Boutell as to how we should look at this question of the conservation of the forests. He suggested that we should not confine our view of this forestry question to the conservation of the trees and the forests of the United States alone; that we should look at it from a broader standpoint, and not only consider the forests in this country as a source of supply, but consider Canada as a source of supply for this country. As he illustrated it, it was not of great importance to the people of the two countries whether you took off all the trees in the United States first and then relied upon the Canadian supply, or took off the Canadian supply and then relied upon the United States, as the Canadians would do if there were no more forests in Canada. It strikes me that that is absolutely the statesmanlike view of this situation. It is not only a case of Canada itself and the United States together, but we know perfectly well that there are very large and extensive areas of forest land in Mexico as well as in the United States and in Canada; and when you look broadly at the forest area of these countries as a whole you do not see the day when there will be any danger of a failure of a lumber supply, and this is especially the fact as the use of concrete tends to reduce the use of lumber.

On this subject of forestry, however, I think that when a thorough investigation of it is made by practical men—men that know the industry from actual experience—we shall find that the way to conserve the forests of the country is to take off the product that is now upon the lands and replant them, just as they have done in Germany and in Austria and in many other countries. This going in and taking out a tree here and a tree there and another one here, and so on, of a certain size, is simply going, if that process is continued, to make the price of lumber to the people of this country so high because

of the enormous cost of logging and getting your product to the market that it will be impossible for the people to pay the price except in the most limited way.

England was one day a forest-covered country, and now there is hardly a lumber tree growing inside of its limits. You go over there and you see hardly any houses built of lumber. They are built of brick and concrete and other material, and they use very little lumber in their construction. The people have found a way there, notwithstanding that their forests are gone, to get their houses and their buildings quite as conveniently, and, I think, quite as inexpensively, as they do in countries where they still have forests. Probably there is some greater expense, but they make brick and concrete and whatever they need in order to provide themselves with homes and necessary buildings without any very largely increased expense.

I have already spoken much longer than I intended to; and I feel now like the chap who lived up in the North and who in the winter had a very cold room, and he did not like the idea of getting ready for bed and then saying his prayers. So he wrote out a prayer and nailed it to the headboard and jumped into bed and said, "Lord, them's my sentiments." So I now feel like saying to you gentlemen, "I nail Mr. Hines's speech to my footboard and say 'Gentlemen, them's my sentiments.'"

The CHAIRMAN. I suppose there is a good deal more unction in your prayer than there was in the prayer of the man you refer to. It seems to me as though his prayer was rather a formal matter. I do not know whether yours is or not.

Mr. GOODYEAR. Mine is as good as I can make, anyway.

The CHAIRMAN. Now, let us come to something more practical, Mr. Goodyear. You speak about reforestation. Suppose that the Government had constitutional power to compel reforestation; that either the United States Government or the state governments could be brought to pass laws to that effect, and commence at once, how long would it take those forests that were begun now before they produced trees fit for lumber?

Mr. GOODYEAR. I think it would take until about ten years before our lumber is gone.

The CHAIRMAN. When do you expect our lumber to be gone at the present rate?

Mr. GOODYEAR. It may be gone in something like fifty or sixty years.

The CHAIRMAN. Fifty or sixty years?

Mr. GOODYEAR. Yes.

The CHAIRMAN. You do not agree with Professor Pinchot about it?

Mr. GOODYEAR. Oh, not by any means. You see, for I think at least forty years we have had prediction after prediction that the white-pine lumber would be gone in Michigan in ten years; but they have been lumbering there ever since.

The CHAIRMAN. Of course it would require a good many years to settle the constitutional authority of the Government, and, after that was done, a good many years more to put the law into effect; and even at your rate of restoration it would look as though we would have to resort to concrete and brick and everything else in order to help out the lumber supply.

Mr. GOODYEAR. Oh, no; because some of the States have already begun reforestation—Pennsylvania, for instance.

The CHAIRMAN. I think the State of Maine has done so, and the courts so far have declared the law constitutional.

Mr. GOODYEAR. And the State of Pennsylvania, also.

The CHAIRMAN. But that is a very small beginning in the whole United States.

Mr. GOODYEAR. Pennsylvania is a big place. Pennsylvania has a great area; and they have begun reforestation there. At least, they have begun the purchase of lands in Pennsylvania. They have purchased quite a lot of lands that we owned for reforestation.

The CHAIRMAN. Have the States had to purchase the land and do it themselves?

Mr. DALZELL. That is what they are doing in Pennsylvania.

Mr. GOODYEAR. They are doing it themselves. The State is purchasing land.

The CHAIRMAN. I am afraid that would be a pretty slow process. We have been buying, of course, some land in New York to preserve the forests for a public purpose.

Mr. GOODYEAR. Yes; and then, after you get them, you burn them up.

The CHAIRMAN. That has not resulted in very large progress; but we have spent considerable money.

Mr. GOODYEAR. Yes; and then you have burned up what you bought.

The CHAIRMAN. I am afraid we have, a good deal of it, or somebody else has burned it up and we have allowed them to, which amounts to about the same thing.

You speak about building concrete houses. That industry is hardly an infant yet, is it?

Mr. GOODYEAR. Oh, yes; it is a very vigorous infant.

The CHAIRMAN. It has not progressed very rapidly, has it?

Mr. GOODYEAR. I can show you a house in Buffalo that was built entirely of concrete.

The CHAIRMAN. One house?

Mr. GOODYEAR. I am speaking now of one house; this is one particular house.

The CHAIRMAN. Buffalo is a pretty large city, however.

Mr. GOODYEAR. But just a moment, please. That house was built over twenty-five years ago, and built entirely of concrete.

The CHAIRMAN. Yes; and there have not been many more built since?

Mr. GOODYEAR. Yes; some. I see them along occasionally as I drive about the town.

The CHAIRMAN. I can show you a house that was built fifty years ago, or likely more, and it is standing yet. It cost something to build it, but it was finished off with lumber; and half or two-thirds of the lumber had been used in a common frame dwelling. I am afraid there is a certain dreaminess about that matter of concrete houses on your part.

Mr. GOODYEAR. No; I think you are quite mistaken.

The CHAIRMAN. Perhaps you and I look at it from different standpoints. I have not any lumber interests and you have.

Mr. GOODYEAR. Yes; that makes a difference in the view.

The CHAIRMAN. You speak about the hemlock business in Pennsylvania.

Mr. GOODYEAR. Yes, sir.

The CHAIRMAN. Hemlock is growing scarce in this country, is it not?

Mr. GOODYEAR. Oh, yes.

The CHAIRMAN. We used to get it in our State; but they have moved the mills all into Pennsylvania now from our State.

Mr. GOODYEAR. Oh, no; you have some hemlock mills up in the Adirondacks yet.

The CHAIRMAN. Yes; but in the southern part of the State the hemlocks are all gone.

Mr. GOODYEAR. Oh, yes.

The CHAIRMAN. We used to get that years ago; but the area is constantly getting smaller, and the price of hemlock lumber since a few years ago has been going up.

Mr. GOODYEAR. Yes, sir; until recently—until a year ago.

The CHAIRMAN. Until everything, the lumber business and everything else, went down a year ago with the general stoppage of trade?

Mr. GOODYEAR. Yes, sir.

The CHAIRMAN. What was the price of hemlock twenty years ago—a first-class quality of hemlock lumber?

Mr. GOODYEAR. Such as we make? [Laughter.]

The CHAIRMAN. Certainly; and such as we used to get in the southern part of our State.

Mr. GOODYEAR. I think it was about \$12 a thousand. I am speaking of the New York market.

The CHAIRMAN. How much was it a year and a half ago?

Mr. GOODYEAR. It was about \$17 or \$18 a thousand.

The CHAIRMAN. Not over that?

Mr. GOODYEAR. No. Of course hemlock, like all other lumber, has a variety of prices.

The CHAIRMAN. If I were to buy a load of it at a lumber yard, how much would I have to pay?

Mr. GOODYEAR. All that the retail man could get out of you, I am sure. [Laughter.]

The CHAIRMAN. And that is about how much?

Mr. GOODYEAR. I should think he would get a profit, if he got a fair profit, of somewhere around \$2 a thousand; and he would charge you up, too, for the expense of delivery.

The CHAIRMAN. I should like to come across some such retailer as that if I had to buy hemlock lumber.

Mr. GOODYEAR. I will tell you what I will do—I will sell it to you myself. [Laughter.]

The CHAIRMAN. I think that is all, Mr. Goodyear.

Mr. FORDNEY. There is no prospect for any individual to attempt to reforest land and ever expect to get a profit out of it, on account of the taxes he would have to pay, is there?

Mr. GOODYEAR. The taxes he would have to pay, and the price his logging would cost him if he went to picking out trees in various places—there would not be a semblance of profit in it, in my judgment.

Mr. FORDNEY. If by picking a tree here and there, matured timber, and lumbering it in that way, and being compelled to pile the

brush and clean it up as you go, and clean up the land, you eliminated the possibility of fire, the price of lumber to the consumer would be much higher than it is now?

Mr. GOODYEAR. Oh, inevitably; it could not be otherwise.

Mr. FORDNEY. And the consumer would have to pay that, would he not?

Mr. GOODYEAR. I do not see how he could get it without paying for it.

Mr. FORDNEY. Because the lumberman will not operate without a profit, except at such extremely low prices as we have been having for the past year?

Mr. GOODYEAR. That is right, sir. Then there is another feature about it. Suppose this sort of legislation was enacted by States. Suppose the State of Louisiana, for instance, should enact laws of that sort, and the State of Mississippi did not. What sort of an advantage would that give the Mississippi lumberman over the Louisiana lumberman, and the lumberman of Arkansas, and so on? If you go to passing laws restricting manufacturing operations in one State, the manufacturer who is not restricted has a great advantage over the one that is.

The CHAIRMAN. You lumbermen get to talking together about cleaning up against fire. What do you mean by that—cutting the lumber all off?

Mr. GOODYEAR. Piling up the brush and the broken logs.

The CHAIRMAN. And the lumber, and getting it out of the woods?

Mr. GOODYEAR. There is a waste in all lumbering operations.

The CHAIRMAN. Of course if you took it all there would not be anything to burn.

Mr. GOODYEAR. No, sir.

The CHAIRMAN. I can see how that would preserve the lumber and the timber.

Mr. FORDNEY. You are talking about the *débris* left on the ground after you cut the timber.

The CHAIRMAN. Of course I can see how that would do it. If you remove it all, of course it would not burn.

Mr. GOODYEAR. Under Mr. Pinchot's department we have been conducting some experiments at the expense of our company down in Louisiana.

The CHAIRMAN. Is not that a good deal like tearing down a house to guard against fire?

Mr. FORDNEY. Mr. Goodyear, pardon me a minute. Either the chairman or I misunderstand you. In the sale of government lands there is a condition imposed upon the purchaser by which, when he cuts a tree down and takes the matured timber off government land, he is compelled to clean up the *débris* he leaves, the tops and the leaves and stuff, and burn it before leaving the land?

Mr. GOODYEAR. That is in Canada.

Mr. FORDNEY. That is what we were talking about.

Mr. GOODYEAR. That is in Canada.

Mr. FORDNEY. No; in this country.

Mr. GOODYEAR. In our country?

Mr. FORDNEY. Out West.

Mr. GOODYEAR. Of course the Government now has a perfect right to refuse to sell its holdings at all if it likes to,

Mr. FORDNEY. That is what we were talking about, Mr. Chairman.

Mr. GOODYEAR. It need not sell its holdings; it can hold its timber for the future if it desires. But all of the lumbermen in this country to-day who have gone into this business have gone into it with the view that there was stability to the law of our land in regard to the right of a man to conduct his own business, as long as he did not interfere with the rights of the rest of the community; and among those rights has been his right to buy a piece of land with timber on it and to take it off and use it in the ordinary way, just as the farmer has a right to buy a piece of land, raise a crop of wheat upon it, take it off and sell it. This timber of the country is nothing more than the crop which that land raises. It is true that it takes more years to mature than it does to raise a crop of grain; but, nevertheless, it is the crop which the land has produced. And the purchaser of that land supposed when he bought it, in all these instances, whether he be a small holder or a large one, that he had a right to use that crop which grew upon his land for his purposes, and to use it for the purpose of making a profit out of it.

The CHAIRMAN. Yes; but one of the gentlemen taking the other side would say that while he had a perfect right to do that, you should not ask the Government to help him. I am only stating to you the argument that they make to see what answer you have to it.

Mr. GOODYEAR. Exactly. If, looking into the matter as a whole, looking at your tariff schedules not as individual schedules, not selecting out one particular thing, but looking at them as a whole, you say: "We do not think it is fair to these lumbermen that they should have even the poor modicum of a 10 or 12 per cent tax upon foreign importations; we do not think it is fair to do that when we look at all of these schedules together." I suppose that, in your wisdom, when you come to consider all these things, if you look at it in that way, you will cut the tariff off or you reduce it, or do something with it.

The CHAIRMAN. I am not making the argument in reference to deforestation my own.

Mr. GOODYEAR. I know that.

The CHAIRMAN. I am simply stating to you the argument that is presented, and asking you for an answer to it from your standpoint.

Mr. GOODYEAR. Since 1896, when the prince of high tariff was elected President of the United States, we have thought that so long as the Republican party was in power we were reasonably safe in the protection of our property interests.

Mr. CLARK. Do you not think so yet, notwithstanding the fact that they have promised to revise the tariff? [Laughter.]

Mr. GOODYEAR. I think that they intend in some fair degree to carry out their promise.

Mr. CLARK. You are not uneasy about what is going to happen to the lumber trade, are you?

Mr. GOODYEAR. I am a little anxious, although I hope that good sense will prevail when you come to consider the matter. [Laughter.]

Mr. CLARK. You mean by "good sense" some kind of an arrangement to tax everybody for your benefit?

Mr. GOODYEAR. I do not, sir.

Mr. CLARK. But you have called it a tax. You have been honest enough to do that.

Mr. GOODYEAR. Yes, sir.

Mr. CLARK. If somebody collects a tax somebody pays a tax, does he not?

Mr. GOODYEAR. I have found it so in my business.

Mr. CLARK. The truth about this concrete business is that you all put up the price of lumber so high that it gave the concrete men the opening to get their material on the market.

Mr. GOODYEAR. Is not that a good thing for the country?

Mr. CLARK. I know; but what are you complaining about them for if you did it yourself?

Mr. GOODYEAR. Who is complaining?

Mr. CLARK. You were explaining that the concrete business was crowding you people out of the lumber business.

Mr. GOODYEAR. I was explaining, but I was not complaining.

Mr. CLARK. There is very little difference. [Laughter.] There is very little difference. The truth is that you regard everybody that wants to change these tariff rates as a demagogue and an anarchist, do you not?

Mr. GOODYEAR. No, sir; I do not regard any member of this committee in that light. [Laughter.]

Mr. CLARK. If there is no agreement about prices, if there is no trust, then what put that idea into the head of President Roosevelt and Attorney-General Bonaparte?

Mr. GOODYEAR. I was not there when they opened their heads.

Mr. CLARK. That is very smart, but it is not very satisfactory.

Mr. GOODYEAR. Does it not answer your question?

Mr. CLARK. No; it does not answer my question.

Mr. GOODYEAR. Then I do not know.

Mr. CLARK. Roosevelt is President of the United States, and a Republican President.

Mr. GOODYEAR. Yes, sir.

Mr. CLARK. And Bonaparte is a Republican Attorney-General of the United States.

Mr. GOODYEAR. So they say.

Mr. CLARK. So they say?

Mr. GOODYEAR. Yes, sir.

Mr. CLARK. I guess he is, or he would not be in there. At any rate, I am glad he is out of the Democratic party.

Mr. GOODYEAR. You and I agree about that.

Mr. CLARK. What put it into their heads that there is a trust?

Mr. GOODYEAR. Into whose heads?

Mr. CLARK. Roosevelt's and Bonaparte's?

Mr. GOODYEAR. I did not know it was in their heads that there is a trust.

Mr. CLARK. Did they not start out to prove that there was one?

Mr. GOODYEAR. They sent some investigators out to find out if there was one.

Mr. CLARK. Yes.

Mr. GOODYEAR. But I do not know that they have ever said that there was one.

Mr. CLARK. Do you not think that you miss one of the principal benefits that is supposed to be derived from reforestation? You never mentioned the fact that the cutting off of all the timber at the heads of these streams is going to dry up that whole country, as it

did Spain for the same reason, and that the cutting off of all the forests at the heads of the streams produces these floods every year.

Mr. GOODYEAR. Does it produce the droughts?

Mr. CLARK. Yes; it produces the droughts.

Mr. GOODYEAR. I do not see it that way.

Mr. CLARK. It is a fact that is recognized by every scientist in the world that the reason that Spain dried up was that they cut the forests off the mountains. Spain at one time was just as fertile as the district I represent—one of the most fertile districts in America, lying between two great rivers—and two-thirds of it has dried up so that they can not raise anything in it. That is one of the reasons that these people claim, and I claim along with them, that this reforestation ought to be done by somebody. That being the case, the only thing to determine is who is the proper person to do it.

Mr. GOODYEAR. Mr. Clark, I do not want to be impertinent or say anything that is offensive, but when we get to crossing swords a little, you know sometimes a fellow lets a thing fly that he does not mean to have taken seriously. How about the treeless States? Have they all dried up—Illinois, Indiana, and so on?

Mr. CLARK. No; but they are drying up.

Mr. GOODYEAR. Is it because the forests are cut off?

Mr. CLARK. Yes, sir.

Mr. GOODYEAR. Where?

Mr. CLARK. Illinois did not have very much timber, but Missouri and Iowa and Ohio were thickly timbered countries.

Mr. GOODYEAR. Yes; but how about Illinois and Indiana and Iowa and Nebraska and all those States which never had any trees that we know of?

Mr. CLARK. They were benefited by the trees up at the heads of these streams.

Mr. GOODYEAR. But what about the streams that do not head up there? They have lots of rivers that are not dependent for their headwaters upon the Rocky Mountains.

Mr. CLARK. I know; but in addition to preserving what water falls, the theory is—and I suppose it is correct; it seems to be accepted by every scientific man on earth—that the trees produce moisture in the atmosphere, and that ultimately produces a precipitation of rain or water.

Mr. GOODYEAR. Well, you know the scientists have been wrong in a good many instances.

Mr. CLARK. I know they have been wrong a great many times, but they generally manage to get around to what is right at last.

Mr. GOODYEAR. When the facts demonstrate that they are wrong they acknowledge it.

Mr. CLARK. This competition that you as a hemlock man carry on with yourself as a yellow-pine man is a sort of a friendly competition, is it not?

Mr. GOODYEAR. Not a bit. One has not any more to do with the other than you have to do with either one of those propositions.

Mr. CLARK. No?

Mr. GOODYEAR. Not a bit.

Mr. CLARK. That is, you are trying to cut your own throat in business?

Mr. GOODYEAR. No, sir.

The CHAIRMAN. Mr. Goodyear, as I understand the theory of the scientists, it is this: That by preserving the forests and leaves on the ground, and what mold has formed from them from year to year, and the shade, you produce a sort of a reservoir which holds the moisture back; and finally it runs down and percolates through the sod that is there, or whatever you call it, and gets down into the streams, and that that delays the falling into the streams of this rain after it is precipitated.

Mr. GOODYEAR. Yes, sir.

The CHAIRMAN. It holds it back, as a sort of a reservoir. That is the theory I have seen, and I think that is unanswerable.

Mr. GOODYEAR. If that theory is true, then in the State of Pennsylvania, if anybody will go up there to look at the timber lands over which we have lumbered, they will find that there is a thicker mat of roots and leaves on the ground to-day than there was before we cut the timber off. Before we cut the timber off the trees were perhaps 10 or 15 or 20 feet apart; but all of those hills have grown up into a thick mass of undergrowth now, the roots of which extend over the ground much more fully.

The CHAIRMAN. That is where they did not cultivate the ground, but if they cultivate the ground there are not any roots or any undergrowth or anything of that kind; then there is no reservoir there. The soil is lightened, and drains off very easily, and the water goes off. Is not that true?

Mr. GOODYEAR. The water perhaps runs off very rapidly, but I will tell you—

The CHAIRMAN. There is another question I want to ask you: In the Philippine Islands I found that the Spanish laws in force before we took possession of the islands provided that no trees should be cut except mature timber, leaving the others to grow up. They did not go through and slash down everything, as our people do, and clean it up, but simply cut the large trees. I understood that that was the law under Spain itself.

Mr. CLARK. I will tell you about that, Mr. Chairman.

The CHAIRMAN. I am asking Mr. Goodyear; I will ask you later. I understand that that was the law also in Germany, and that in that way they were preserving the forests in those countries, and deforestation was not taking place as rapidly as it is in this country—which is the most rapid of any place in the world for deforestation or anything else, as I understand.

Mr. GOODYEAR. Yes; everything we do is rapid.

The CHAIRMAN. How would such a law as that operate in this country if we had the constitutional authority to compel them to cut only the large trees?

Mr. GOODYEAR. It would operate, in the first place, to establish the principle that you have a right to interfere with a man's private property.

The CHAIRMAN. I say provided we had the right, as they have there, to pass such a law?

Mr. GOODYEAR. Furthermore, you would increase the cost of lumber to the consumer.

The CHAIRMAN. At once, probably we would.

Mr. GOODYEAR. Yes, sir; at once.

The CHAIRMAN. But if that preserved the forests through a series of years, it would maintain a steady price through those years, would it not?

Mr. GOODYEAR. I do not know.

The CHAIRMAN. The price is increasing when we do not do that?

Mr. GOODYEAR. Yes.

The CHAIRMAN. Simply because you are cutting off the stumpage in the country?

Mr. GOODYEAR. Exactly.

The CHAIRMAN. And every year, on the apprehension (either real or created by the lumbermen) that we are going to run short of timber before a great many years, the price goes up.

Mr. GOODYEAR. Yes.

The CHAIRMAN. And it gets abnormal.

Mr. GOODYEAR. I do not think it is abnormal.

The CHAIRMAN. If we had such laws as that, and could preserve the timber and use only the matured timber for lumber, and let the other grow up before we used it, it would make a more steady supply; and in the centuries to come the price would be on the level all the way through, and the average of it would be much less than the prices as you gentlemen kite them up by cutting off the timber so fast.

Mr. GOODYEAR. You say the price has increased abnormally. I should like to have you look at the figures that were presented to you here to-day as to the increase in the price of steel and clothing and various other things that we use.

The CHAIRMAN. I have looked at those figures before; and what Mr. Hill read showed an abnormal increase in the price of lumber.

Mr. GOODYEAR. It is not abnormal unless all of the increases are abnormal.

The CHAIRMAN. Oh, it was greater than anything else.

Mr. GOODYEAR. It was simply the result of the demand of the people for greater supplies of lumber as well as for steel, which made it possible to maintain the price of steel rails at \$28 during all the depression.

The CHAIRMAN. So far as steel is concerned, there is a supply for a great many years to come.

Mr. GOODYEAR. So there is in lumber.

The CHAIRMAN. And more being developed. But the lumber is all on top of the earth, and they can see what there is of it; and the supply is limited, as you say. The supply of hemlock is cut off in our State, and is being cut off in Pennsylvania. There is not much hemlock left?

Mr. GOODYEAR. Not a great deal.

The CHAIRMAN. It is decreasing in amount all the time. Now they have gotten at the southern pines, and they are using them up very rapidly.

Mr. GOODYEAR. They have gotten at the Pacific coast, too.

The CHAIRMAN. And the Northwest. I do not mean beyond the Rocky Mountains, but what we usually call the Northwest.

Mr. GOODYEAR. The same condition prevails there.

The CHAIRMAN. They are cutting it off very rapidly there?

Mr. GOODYEAR. They are cutting it off there.

The CHAIRMAN. They are doing a pretty big business beyond the Rocky Mountains in that way?

Mr. GOODYEAR. Yes, sir.

The CHAIRMAN. I know that they were in 1899; and they have been doing their share of it ever since.

Mr. GOODYEAR. Oh, they have been busy.

The CHAIRMAN. So it looks as though the supply was being cut down.

Mr. GOODYEAR. The supply is being cut down. The growth does not occur so rapidly. But the time has come to-day, I believe, for these various States to undertake this question of reforestation. They have done it in New York; they are doing it in Pennsylvania; they are doing it in Maine, and I do not know in how many other States.

The CHAIRMAN. If New York does not progress any faster in that direction than she has for the last ten years, it will be a hundred years after you and I have passed away before the timber begins to make any sensible increase.

Mr. GOODYEAR. If we die within any reasonable time, I suppose that will be so.

Mr. UNDERWOOD. Let me ask you just one question on this matter of reforestation that you are talking about: You have had experience both in the North and in the South?

Mr. GOODYEAR. In lumbering.

Mr. UNDERWOOD. Yes; in lumbering. If the state governments were to pass a law exempting from taxation for a period of years land that was devoted to reforestation, do you think that would induce private owners to attempt to reforest their lands?

Mr. GOODYEAR. I do not think so. I think they would prefer to sell the lands at a very low price to the State and let it carry on that business. That is because the States are organized for it; they have their departments, and it is not a business that—

Mr. UNDERWOOD. You do not think that would be sufficient inducement?

Mr. GOODYEAR. No; I do not think so. You see the lumbermen up in Pennsylvania, for instance, selling their land as the timber is cut off at from \$2 to \$2.50 an acre.

Mr. FORDNEY. Mr. Goodyear, I want to ask you a question, please. Mr. Hill showed some statistics here a little while ago to the effect that the increase in the price of lumber in the market far exceeded anything else produced in this country that he mentioned.

Mr. HILL. I gave you all that was in the tables.

Mr. FORDNEY. Whether it contained everything or not, I want to say this—that it is not true that lumber has increased in price in the past twelve years any more than farm products have. Is not that right?

Mr. GOODYEAR. I think that is correct.

Mr. FORDNEY. In the State of Michigan I know that farm products to-day bring more than twice what they did in 1896; and that is not true of lumber.

Mr. GOODYEAR. Yes; and, furthermore, while people talk about the increase of lumber, the increase is very largely in the stumpage—in the trees standing on the land.

Mr. FORDNEY. That is right. Mr. Goodyear, about when did you make your purchases in Louisiana—when did you begin?

Mr. GOODYEAR. I think we began something like about five or six years ago.

Mr. FORDNEY. But it is all since 1896, Mr. Goodyear?

Mr. GOODYEAR. Seven years ago, say.

Mr. FORDNEY. You made all of your purchases there under this protective tariff system?

Mr. GOODYEAR. Yes, sir.

Mr. FORDNEY. You believed that the Republican party proposed to protect your industry, as they had promised to do in the various platforms, when you made those purchases?

Mr. GOODYEAR. Certainly; we would have had no idea of doing it otherwise.

Mr. FORDNEY. If, now, we remove that protection while you are in the process of manufacturing and disposing of that product, you have been buncoed by the Republican party, have you not?

Mr. GOODYEAR. I am afraid I would give offense if I said so.

Mr. FORDNEY. Yes, sir; that is all.

Mr. GOODYEAR. There are quite a number of Republicans here..

Mr. HILL. Since the tariff of \$2 was put on, twelve years ago, has not a new factor been introduced into the problem by the wood-pulp and paper industry?

Mr. GOODYEAR. The wood-pulp and paper industry absorbs a large amount of the spruce of the country.

Mr. HILL. And a very large amount of other kinds of lumber besides spruce, does it not?

Mr. GOODYEAR. Up in Pennsylvania we have a pulp and paper mill using hemlock entirely.

Mr. HILL. Yes; and they use still other woods besides hemlock and spruce, do they not?

Mr. GOODYEAR. No; I think not. They use hemlock alone.

Mr. HILL. Whatever they use, whether it is hemlock or spruce, it has to be replaced by some other kind of lumber; so it does not really make any difference what the material is that they use, does it?

Mr. GOODYEAR. Oh, yes—some other kinds.

Mr. HILL. Is not that an important factor?

Mr. GOODYEAR. I should say it was.

Mr. HILL. Yes.

Mr. GOODYEAR. In the lumber industry we have perhaps gone to a greater extent than usual in endeavoring to find ways for utilizing the waste that comes off the land. For instance, in Pennsylvania we induced a paper and pulp manufacturer to come in, and made him an exceedingly low rate of transportation to get the refuse on the land to his pulp mill and convert it into pulp, so that what used to be left there and was burned up and rotted and was destroyed is being put to some good purpose—that is, it is being made into an article that is useful to the people. In the South we have had a government station trying to find some way to preserve timber by various processes—the creosote process, and the sulphite of zinc process—which will tend to prolong the life of timber, and in that way reduce the amount required.

Mr. HILL. Yes; but that is an old process which has been in operation for twenty-five or thirty years to my certain knowledge.

Mr. GOODYEAR. Yes; but the Government is still experimenting to find out some cheaper method than that of putting the timber in tanks and then applying some pressure and heat to it.

Mr. HILL. With reference to the enormous quantities of lumber used for wood pulp and paper, I want to call your attention to this fact in regard to these figures which I gave a few moments ago—that while every other one of these schedules shows ups and downs in the prices and in the advances, and not a steady increase, the lumber increase was as follows—and it will not take but a minute to give the figures—95.8, 105.8, 115.7, 116.7, 118.8, 121.4, 127.7, 141, 146.9—a steady advance, right straight along, every year, without a break. Has not the wood-pulp question got something to do with that?

Mr. GOODYEAR. Yes; I think it has. They have used a very large amount of spruce timber in the manufacture of wood pulp, and it has affected the supply somewhat.

Mr. HILL. I understand that your theory is that in view of this enormous increase in wood pulp for building purposes that you advocate that the lumber men of the country should be allowed, first, to clean off the forests of the country, and then that the Government should step in and take the land thus cleared and reforest it.

Mr. GOODYEAR. Yes; and they will get it at a very low price. And I want to say, further, that in order to utilize this wood and waste that comes from the sawmills, within thirty days we sent a man to France to investigate the methods employed over there to utilize the products that are left in the shavings and in the sawdust that comes from these mills.

Mr. CALDERHEAD. Have you a sales agency in Kansas City?

Mr. GOODYEAR. No, sir.

Mr. CALDERHEAD. Do you sell there at all?

Mr. GOODYEAR. Well, our general sales office is Chicago. Salesmen go out to Kansas City, but we have no office in Kansas City.

Mr. CALDERHEAD. Do you know anything about the sales that are made in Kansas and Nebraska?

Mr. GOODYEAR. I don't know about the details of the sales. I only know what the general results are.

Mr. CALDERHEAD. That makes me ask you, is it a prevailing opinion out there that there is an agreement between the mill owners or the wholesale dealers to apportion out the whole territory that each man shall occupy, and then fix the prices at which the retail dealers shall sell?

Mr. GOODYEAR. Well, if there is such an agreement, I want to state just as emphatically as I can state, that I never knew of such a stipulation or understanding between lumbermen that anything of that sort should prevail.

I do not understand that there is any law in the land that prevents one lumberman from speaking to another and asking him what he is getting for his lumber. But so far as saying to him, "We will stand by that schedule, or this, and we won't vary from it," I do not believe such an agreement is in existence in the United States.

Mr. CLARK. In other words, you do not believe there is a trust in America, do you?

Mr. GOODYEAR. I think there are some things that they call trusts.

Mr. CLARK. Each one of them in turn would deny that there was a trust.

Mr. GOODYEAR. Oh, no; I don't think so. I don't know what a trust is. If anybody will define what a trust is I will be glad to know, so far as I am concerned.

Mr. CLARK. The Hon. Thomas B. Reed, of Maine, defined it as a very small number of very rich men entirely surrounded by water. That was his definition.

Mr. GOODYEAR. Do you think it was a good definition?

Mr. CLARK. Yes; I think it was a very good one. I want to ask you a question. Mr. Fordney asked you if you did not enter into this business down in Louisiana on the implied promise of the Republican party that they were going to keep this tariff on, and that if they took it off you would feel like you were being buncoed, and you said "Yes." Now, if the fellows out here that voted the Republican ticket this fall on the promise, or what they thought was a promise, from the Republican party to revise the tariff down, find out that it is not going to be revised down, but is going to be kept where it is, then do you not think that they would feel like they had been buncoed?

Mr. GOODYEAR. I do not think they put that in there. I do not think they promised to revise it down.

The CHAIRMAN. Do not let us have a joint debate on the tariff question.

Mr. CLARK. Now, you are losing money; all the lumbermen, according to the general statement they make, are losing money.

Mr. GOODYEAR. I beg your pardon, sir.

Mr. CLARK. If your statements did not mean that, I could not tell heads or tails of it.

Mr. GOODYEAR. It does not mean that.

Mr. CLARK. Does it mean that you want the tariff or not?

Mr. GOODYEAR. I don't want it put up.

Mr. CLARK. You want it to stay like it is?

Mr. GOODYEAR. I think as long as the protective principle prevails in this country that the protective tax that prevails as to lumber is no more than a reasonable tax as to that industry.

Mr. CLARK. Did you not state that you had a two-and-a-half million dollar plant down there that you had not been running because you could not sell the lumber?

Mr. GOODYEAR. Could not sell it at a profit.

Mr. CLARK. Well, if you could not sell it at a profit you could not run it, and you would be losing the interest on the investment?

Mr. GOODYEAR. Yes.

Mr. CLARK. That is, running at a loss?

Mr. GOODYEAR. It does not make any difference whether it runs or not—that is a loss.

Mr. CLARK. That is a loss?

Mr. GOODYEAR. Yes.

Mr. CLARK. If all the other lumbermen are in the same fix that you are in, how does it happen that the Dingley law does not make you prosperous?

Mr. GOODYEAR. I do not know. It is because of general conditions throughout the country. It is, perhaps, because the railroads, for instance—they are very large consumers of lumber, and perhaps the largest in the country as a class, and they have stopped buying anything. They did not buy locomotives or cars or lumber or anything else; they were not in the market for those things.

Mr. CLARK. You simply shared in the general depression of business?

Mr. GOODYEAR. We did at that time; yes. Now that there is a prospect of better times——

Mr. CLARK. The truth about that is that all these lumbermen that came in here and testified as to this lumber have picked out the worst year in the last eleven years to make their case on; is not that the fact?

Mr. GOODYEAR. I think they have had some other pretty tough years, and it is not all that beautiful glowing dream that some people would like to have the lumber business considered. We are not all prophets, able to determine what is coming to us in the future, and we have a great many things to contend with. We in the lumber business have almost every element in nature to contend with and to overcome in order to succeed.

STATEMENT OF R. L. McCORMICK, OF TACOMA, WASH., WHO CLAIMS THAT THE LUMBER INDUSTRY OF THIS COUNTRY STILL NEEDS PROTECTION.

FRIDAY, *November 20, 1908.*

Mr. McCORMICK. Mr. Chairman and gentlemen of the committee——

The CHAIRMAN. You represent the Weyerhæuser Lumber Company?

Mr. McCORMICK. I was sent here by the Pacific Coast Lumber Manufacturers' Association. I am connected also with the Weyerhæuser Timber Company. Our association represented the timber and lumber manufacturing interests of the State of Washington.

I hardly know what to talk about——

The CHAIRMAN. You think the subject has been pretty exhaustively covered, do you?

Mr. McCORMICK. Quite exhaustively; yes, sir.

The CHAIRMAN. If you have anything new to offer we will be glad to hear it.

Mr. McCORMICK. I think the subject has been quite well covered. I was invited to come here. I think the question seems to be whether the States need the protective duty to protect them against the competition from the other side of the line. Have the labor conditions with respect to the two countries been presented by Mr. Skinner or anybody else?

A VOICE. Yes.

Mr. McCORMICK. They have? All right.

We base our contention on the difference in conditions, the difference in values, and we base our statement that the tariff is necessary on the fact, first, that the timber, the base of the lumber proposition, costs us more money on this side of the line than it does on the other, and it is eminently proper that a legislative body on this side of the line should take up this question, for that is a public question.

The difference in conditions is on account of the difference in the policy of the Government on this side of the line and the policy of the government on the other side of the line. This side of the line, the Government sells her property, sells it to the purchaser, sells it in fee simple. On the other side of the line the policy, as to the greater part of the country, and especially as to the timber, is for

the government to retain the title to the property and lease it to the operator, which is the best for the operator.

I think I could say to-day that if I had no investment on either side of the line and there was any possibility of this Dingley tariff not being maintained, that I would get out of this city as quick as I could, and go up there and buy what stumpage there was on the other side of the line before somebody else got it; because the policy of that government is so liberal that it does not require money, to any extent, to acquire interest in timber. On the other side of the line, while you have to pay a nominal tax each year, it is not as great a tax as we pay on this side of the line.

The government furnishes the capital on the other side of the line, and you pay your principal when you cut your timber, 50 cents per thousand, any time within twenty-one years, while on this side of the line you put up all your money and carry it and pay your taxes on it, and have your investment, requiring a large amount of money.

I think I would much prefer to do business on that side of the line, if that was the only consideration.

We have our timber on this side of the line because we like the policy of this Government, because we were brought up on it, and we know that in many conditions it is better for us, something we could rely on, than to go to any foreign country and do business, and I personally like the idea of owning the land, not for its value, because there is not so much value in denuded timber land, but in this country wherever the lumberman goes and acquires a title to land, whether it is through preemption, scrip land, through the purchase of homesteads, or in any other way, development of the country follows; it is the individual property of somebody and the lumberman buys it or the citizen buys it, and from that starts a home, and there starts a center for citizenship that is continued and made permanent, and the little red schoolhouse follows the development of the lumberman, under the laws here, while on the other side of the line there is nothing of that kind, but it is a waste that goes back to the Government and civilization is not extended and made permanent.

As to the wages paid on the two sides of the line, I have not investigated that question this season, but heretofore when I have investigated it I have found the balance against us—that it costs more for wages on our side of the line than it does on the other side of the line.

We claim to employ Americans only. I ran for office once, and I came pretty near getting beaten because a concern that I had some friends connected with over in British Columbia employed Japanese labor. They could not do it safely on our side of the line, and they do not want to, but they do do it over there, and they employ Chinese labor, and they employ Hindu labor, and it is very rare that you see anything of that kind on this side of the line, and I have never seen anything except a few Japanese employed.

But in these pictures that were shown here, I presume by Mr. Skinner, in one picture there were shown the Hindus at rest, between the times they were occupied in labor, and across the breasts of some of those veterans of the war there were the British medals of valor, and those lumbermen have got to keep those people there. We send them back, but these men I refer to are British citizens and they can not be sent out of the country, and they are going

to be a menace to labor on that side and a menace to labor on this side.

This is rather political in its turn. I want to say to the Republican members of this committee that if the voters in Oregon, California, and Washington had had any idea that there would be danger of having free trade in lumber in the event of Republican success they would have voted the Democratic ticket. Bear that in mind. I did what I could, and my friends did what they could. I am a Republican, and always have been, and I did it willingly, but I would not have voted the ticket if it had been committed to a ticket of free trade.

Mr. HILL. Do you export any lumber?

Mr. McCORMICK. Yes, sir.

Mr. HILL. Where to?

Mr. McCORMICK. Australia.

Mr. HILL. Do you export any to British Columbia?

Mr. McCORMICK. British Columbia? No, sir. That would be shipped by rail.

Mr. HILL. There is a good deal exported to British Columbia from Washington. But you do export to Australia?

Mr. McCORMICK. Yes, sir.

Mr. HILL. You meet British Columbia competition?

Mr. McCORMICK. Yes, sir.

Mr. HILL. Are you able to meet it?

Mr. McCORMICK. Yes, sir.

Mr. HILL. And you have been meeting it right along in Australia?

Mr. McCORMICK. We do not do business there all the time, but we do sell more or less.

Mr. HILL. Why could not you meet it just as well in any other place in the United States as to meet it in Australia?

Mr. McCORMICK. Well, we do not have to keep a regular business going in Australia. We can take an order any time we are out of business elsewhere and sell it for a little less than we ordinarily sell it for, in order to keep our mill running.

Mr. HILL. But you do meet in an equal competition and in the same kind of product and continue business right along, do you not?

Mr. McCORMICK. No; we shut down quite frequently. We have shut down during the past year.

Mr. HILL. Puget Sound is a large exporting point for lumber, is it not?

Mr. McCORMICK. Yes, sir; it is.

Mr. HILL. The largest—

Mr. McCORMICK. Not the largest. Columbia River ships a very large amount of lumber to China.

Mr. FORDNEY. The sales of lumber that you make in Australia are sales of your high grades, not your low grades, are they not?

Mr. McCORMICK. Yes. We do not ship any low-grade lumber to the export trade.

Mr. FORDNEY. You can come nearer competing with British Columbia in the United States on high grades than you can on your low grades, can you not?

Mr. McCORMICK. Yes. We can compete anywhere on our high grades.

Mr. FORDNEY. That answers as to Australia. You only compete in Australia on high grades?

Mr. McCORMICK. Yes.

Mr. FORDNEY. Your low grades are what you lose money on, and it is on low grades that you want your American market preserved, is it not?

Mr. McCORMICK. Yes, sir.

Mr. HILL. As a matter of fact, do you not ship all kinds of lumber to Australia—

Mr. McCORMICK. No; we do not.

Mr. HILL. And to the Philippine Islands and Japan?

Mr. McCORMICK. No, sir. We have not shipped to the Philippine Islands. Australia is the principal market we have shipped to in that part of the world.

The CHAIRMAN. Do you not ship low-grade lumber to Australia?

Mr. McCORMICK. We do not.

The CHAIRMAN. That answers that question, then.

Mr. HILL. What do you mean by low grades; do you mean merchantable timber? I do not suppose you ship mill culls to Australia; but do you not ship scantling and 6 by 6 and 12 by 12?

Mr. McCORMICK. We ship timber, but I do not call that low grade.

Mr. HILL. Neither do I. Of course you do not ship culls.

The CHAIRMAN. Are there any further questions?

Mr. CLARK. The supply of timber in the United States is rapidly running short, is it not?

Mr. McCORMICK. I have heard some deny that that is the case.

Mr. CLARK. Is your name R. L. McCormick?

Mr. McCORMICK. That is my name.

Mr. CLARK. You read a paper on that subject before the Mississippi Lumbermen's Association, did you not?

Mr. McCORMICK. Mississippi Valley? What date was it?

Mr. CLARK. I can not tell you the exact date, but I have it here in a printed document, a document which was printed in 1903. Is that your article?

Mr. McCORMICK. Yes, sir. Well, I am older now than I was then.

Mr. CLARK. That is very witty, but there is less timber now in the United States than there was then.

Mr. McCORMICK. Yes, but my information is better now.

Mr. CLARK. You recant this article, then?

Mr. McCORMICK. I have not read it.

Mr. CLARK. You know what it is?

Mr. McCORMICK. In a general way.

Mr. CLARK [reading from an article entitled "The exhaustion of the lumber supply," by R. L. McCormick, president of the Mississippi Valley Lumbermen's Association and secretary of the Weyerhæuser Timber Company, published in a bulletin issued by the United States Department of Agriculture, Bureau of Forestry, Circular No. 25, under date of June 11, 1903].

Every man in the lumber business to-day whose dealings are of sufficient extent to be subject to influences beyond those of purely local demand and supply realizes that the lumber industry is in many regions surrounded by a growing scarcity of available timber. Statistics point to it. Estimates of timber resources still remaining point to it also. But the strongest proof lies in the conditions which already affect our industry.

That is paragraph No. 1 of your article. Do you recall that now?
Mr. McCORMICK. Yes; I thought that was quite a sentence when I wrote it.

Mr. CLARK. Did you understand that when you wrote it?

Mr. McCORMICK. Yes; I did partially.

Mr. CLARK. You have not learned very much in five years, have you?

Mr. McCORMICK. Well, I rather think I have.

Mr. CLARK. Let me read you another sentence [reading]:

We have reached the point now when we are unable to supply the enormous demand for lumber which we have fostered. We must look to the production of a second crop upon lumbered lands, or prepare to stop lumbering when the first crop is gone. In the old days it was easy to lumber one forest and then turn to another. To-day, however, we can not count upon new fields to turn to. We must make the best of what we have, and wherever it pays we must lumber conservatively.

Do you stand by that or do you recant that?

Mr. McCORMICK. Well, I will say that my information is better than it was when I wrote that article. [Laughter.]

Mr. CLARK. Your situation is a little different, too, is it not?

Mr. McCORMICK. To that extent, yes.

Mr. CLARK. You were making a speech then and now you are asking us to keep this tariff.

Mr. McCORMICK. I do not think I am doing much but making a speech now.

Mr. CLARK. That is the difference in situation, is it not?

Mr. McCORMICK. Possibly so. That was in 1903.

Mr. CLARK. This was printed in 1903. I do not know when you made this speech.

Mr. McCORMICK. It sounds like some of my foolishness.

Mr. CLARK. That is preceded by a communication from Mr. Gifford Pinchot, Forester, as follows:

U. S. DEPARTMENT OF AGRICULTURE,

BUREAU OF FORESTRY,

Washington, D. C., June 11, 1903.

SIR: I have the honor to transmit herewith three statements on forestry, which are especially intended for lumbermen, and to recommend their publication in Circular No. 25 of the Bureau of Forestry.

Respectfully,

GIFFORD PINCHOT, *Forester*.

HON. JAMES WILSON,
Secretary of Agriculture.

Mr. McCORMICK. Yes. One of those articles was by the President, one by Mr. Pinchot, and the third one by myself.

Mr. CLARK. You were a reformer then?

Mr. McCORMICK. I have reformed since then.

Mr. CLARK. You were a reformer then, in the society of reformers?

Mr. McCORMICK. I am not in the society——

Mr. CLARK. You have got out of the society; you have gone back on Roosevelt and Pinchot?

Mr. McCORMICK. Well, I voted for another man in the convention, anyhow. I am pretty well satisfied with the change.

Mr. CLARK. Well, I want to know this now. I don't want to treat you unfairly, but do you stand by this flamboyant article? [Laughter.]

Mr. McCORMICK. Well, I would have to read it over again.

Mr. CLARK. Do you want me to read it?

Mr. McCORMICK. I know one thing, Mr. Clark. I know that there is more timber standing in the United States to-day than I believed there was at the time I wrote that article.

Mr. CLARK. I am glad to hear it.

Mr. McCORMICK. I use the words "I know" instead of "I believe." I know that there is more timber standing in the United States to-day than has been used in the United States since Christopher Columbus landed on our shores.

Mr. CLARK. You say there is more timber in the United States now than there was then?

Mr. McCORMICK. Yes, sir; more than there was at the time the Pilgrims landed at Plymouth Rock.

Mr. CLARK. What has become of all the timber that was cut down in all the States from Plymouth Rock clear across to the mountains and beyond?

Mr. McCORMICK. Let me make that clear. There is more timber standing, I say, than has been cut in the United States—than has been removed.

Mr. CLARK. That is sort of like Mark Smith's tale that there are more Indians in the United States now than there were when Columbus landed.

Mr. McCORMICK. There are. There are more Indians in the United States now than there ever were. [Laughter.] I have never been on the Indian Committee, but I know the subject.

Mr. CLARK. They are not all red Indians.



Z. W. WHITEHEAD BELIEVES IN AMERICAN MARKETS FOR AMERICAN MANUFACTURERS, PRODUCERS, AND LABORERS, INCLUDING LUMBER INDUSTRY.

FRIDAY, *November 20, 1908.*

Mr. WHITEHEAD. Mr. Chairman and gentlemen of the Ways and Means Committee, I rather congratulate myself and felicitate with you that I am here to-day in support of a principle and policy that the American people in their sovereign capacity at the ballot box only a few days ago indorsed with singular unanimity and by overwhelming majority. I refer to the principle of American markets for American manufacturers, American producers, and American labor, and, as an American lumberman, I stand for that principle here to-day foursquare to all comers against "the world, the flesh, and the devil."

There has been a time when it was said that if you had any enemy you desired to punish and didn't care to sandbag him on the highways or murder him under the cover of darkness, all you had to do to get even with him was to give him a sawmill. I am glad to say that for one I have outlived that day and time and have seen it come to pass when the sawmill man, once without credit or standing in his com-

munity, has rightfully taken his place in the ranks of the first and foremost citizens of the land. I am here to say further that in all the walks of business life there is no man who has contributed more to the well-being of his fellow-man and upbuilding of his country than the average lumberman, both with his brains and money, his energy and talents. In the Southern States I feel safe in the statement that he is possibly the star actor in the world's great drama of commerce and trade, and so far as my observation goes I can truthfully say that there is not a cotton mill, a woolen mill, an iron furnace, or a steel mill, railroad, or factory of any kind, a bank, or "skyscraper" in any of our Southern States or cities but what you will find on the roll of stockholders or officers one or more, and possibly half a dozen, of the leading lumbermen in that territory. Their interests, as a matter of fact, have become so interwoven with that of the allied industries and every other enterprise in the South that any legislation or policy by the Federal Government antagonistic to their interests, or that might embarrass their operations, would be felt in every direction to which the ramifications of their business might extend.

For this new order of things there is a reason, and I am here to say that reason is to be found in the incidental protection afforded and thrown around the industry by and through the imposition of a \$2 duty on foreign lumber imported into this country, whereby the pauperized products of other countries and produced by Hindoo, Japanese, and Chinese labor have been in part shut out and American markets held primarily for our own people. This, too, in the face of the fact that this \$2 duty amounts only to a 12 per cent ad valorem tax, in comparison with a 30 per cent tariff on iron and steel, 32 per cent on cement, 28 per cent on wool, 40 per cent on earthenware, and 50 per cent on building stone. As a matter of fact, every rule of right and justice would demand that if lumber is to be protected on a parity with iron, steel, building stone, etc., instead of for revenue only, that the tariff on lumber should be raised to \$4 and not less than \$3 per thousand, rather than \$2, as we now have it.

It is therefore plainly to be seen that any movement, by legislation or otherwise, inimical to the best interests of this great industry would rebound and react against whole communities. From communities these adverse conditions would extend to geographical divisions of the country and ultimately cover the whole land with its blighting influence.

Now, Mr. Chairman and gentlemen of the committee, if there be any doubts in the minds of you gentlemen or anyone else as to the extent and full measure of prosperity enjoyed by this country as the direct and indirect result of the operations of our present tariff laws and based upon the fundamental principle of protection to American industries, you have only to compare the conditions and prices of to-day, with everything prospering, every wheel turning, every saw cutting, with and under the free-trade era of the famous Wilson-Gorman bill, when prices were at and below the cost of production, when the fires were banked in the factories and mills, and wage-earners were walking about in idleness and Canadian manufacturers were supplying American markets with lumber.

Having conclusively demonstrated something as to the ramifications and extent of the operations of the \$2 tariff on lumber, you can

not deny or escape the concrete fact that any repeal or modification of this law would necessarily invite disaster and demoralization not only to the lumber manufacturer, and cripple his usefulness to every community in which he is operating, but likewise create pandemonium among banks, not in one or two isolated cases but all over the country, beget a feeling of distrust between man and man, besides bringing down uncertain disasters upon the farmers, the merchants, the manufacturers, laborers, and all. Banks, I dare say, all over this broad land of ours are carrying at this time possibly as much lumber and timber paper as any other class of indebtedness, and who knows, Mr. Chairman, but what the repeal or modification of this \$2 duty wouldn't at this time start a ball in motion that might end in such a loss of confidence between man and man, and the stability of the industry as well, as might repeat the panic through which the country has just passed and from which we are now emerging? Indeed, sir, these are questions that force themselves to the front, and, like Banquo's ghost, will not down at any man's bidding. As sentinels upon the watchtower, you must then be the judges and guardians of our interests at one and the same time.

Ever solicitous for the welfare of the "horny-handed son of toil," methinks I hear some one say, "But where does the farmer come in for a share of this prosperity?" Indulge me for a moment and I will tell you. Throughout the South there are hundreds and thousands of farmers in the rural districts owning small tracts of standing timber ranging in size from 100 to 1,000 acres and more.

During the period of protection and prosperity, which always travel hand in hand together, the manufacturer, as the result of his ability to cut his timber close and leave only the tops of the trees to rot in the woods, having a market in this country for his low-grade stocks as well as his uppers, enables him to get as much as 20 per cent additional raw material from the same land, and this in turn justifies the mill man in paying the present high level of prices for this stumpage in the rural districts. Thus it will be seen that the farmer, the merchant, the lawyer, the doctor, the banker, or whoever it may be in the outlying district shares equally with the mill man in the results flowing from high prices for lumber and the benefits a protective tariff measures out with an impartial hand to the manufacturers and land-owner alike. At the same time the timber-land owner must of necessity share and share alike with the manufacturer in whatever depreciation that may be brought about in the value of the manufactured product in proportion as the profit is reduced by free competition with low-priced lumber from Canada and other foreign countries by Hindu, Japanese, and Chinese labor, which we all know can live on half what the average American must have. Therefore the present high standard of stumpage values is the legitimate child of the existing tariff on lumber, which I make bold to say has done more to enrich the farms and country people than all other agencies combined. Is there any objection to that? Hardly; and while I can only speak ex cathedra for the South, I do know of my own personal knowledge that many of the class just referred to have sold the standing timber on their lands during the past few years for as much as two and three times as much as the land, timber, and all originally cost them.

In this way what had been carried year after year as a dead asset, yielding no one anything in return, had now, under the operation of our

present tariff laws, been converted into dollars and cents. With the outcome of these tangible results materializing into cash, farmers, merchants, and others were in many cases enabled thereby to lift from their homes and plantations mortgages that had been hanging over their heads like a pall for years, the interest on which had "kept their nose to the grindstone" in season and out, sapping their vitals. Lifting these nightmares from their own "vine and fig tree" and removing the specter of the mortgagee's possibility of foreclosure under the red flag of distress, has made these people breathe in many cases for the first time in a lifetime an air of independence and freedom, emancipating themselves from a yoke of bondage that bordered closely onto slavery, do a better part by their children and household in the way of education and other social advantages, thereby giving to the world a higher standard of citizenship and womanhood. Could more be said of any policy, gentlemen? I hardly think so.

With the country people, then, sharing equally with the manufacturers in the present high level of stumpage values, employees of the mills regularly employed at good wages, the distribution of profits is mutual and general. The banker and capitalist find ready customers for their money, the merchant buyers for his goods and wares, the farmer good prices for his produce, and so on down the line. Remove or repeal the \$2 duty and foreign interests come in and monopolize American markets. As a result, the foreign wage-earner and employee is paid the salary and given employment while the American walks about in idleness. This results in many of our mills and factories closing down or running half time. Fewer men, accordingly, find employment, and those who do are given it at reduced prices. Their earning capacity is proportionately reduced, their usefulness to themselves and their families crippled, and the farmer in turn sells less of the product of the soil, and what he does sell is sold at reduced prices.

Thus it will be seen that the profits are reduced to the minimum on all sides and from all sources by the repeal of this tariff, while capital, like the proverbial Arab, quietly folds its tent and "steals away to places new and pastures green." Naturally the volume of freight for transportation shrinks, and out goes another army of employees with no earning capacity and a reduction in the pay of those who find work. Banked fires and idle machinery stand out solitary and alone as mute sentinels over the folly of the professional politician, who is furnishing employment for the foreigner, while the American laborer is wearing out the seat of his breeches waiting for the time to come when he can buy a suit of clothes for \$10 that he now has to pay \$12.50 for, and \$2 for a hat that he now has to pay \$2.50 for, the difference being that under a protective tariff he has the \$12.50 with which to pay for the suit and \$2.50 with which to pay for the hat, while under free trade he has neither or any visible means of making it.

In a moment of desperation some one not acquainted with the facts takes the position that Canadian lumber is no competitor for southern pine. No one familiar with the constituent elements of these woods would dare make that statement before an intelligent audience. It was my good fortune to have been born and raised in the piney woods of North Carolina, and while Canadian pine is not

of the same variety as long-leaf southern yellow pine, it is similar in many respects to the short-leaf pine of the South, and may justly be classed among the same family. Now, it is a notorious fact that short-leaf pine has been substituted in many instances for long-leaf yellow pine, as well as white pine, and as time wears along will be substituted for as many more, and just as short-leaf pine in the South has been substituted for long-leaf pine and long-leaf pine for short leaf, just so will Canadian pine be substituted for southern pine as soon as the tariff is removed and American gates are opened free to Canadian manufacturers. This is as certain as water seeks its level, and by reason of the close proximity of the Canadian forests to the eastern territory it stands to reason that with the \$2 duty removed and a lower rate of freight than we enjoy from the South to eastern cities, that the Canadian manufacturers will monopolize the best markets in this country for southern pine, if that duty should be taken off.

Some one has said we are shipping southern pine away up into the Lake States—Wisconsin, Minnesota, Michigan, Iowa, and other points in the extreme Northwest—all of which is true, and we are able to find a market there for this great southern product chiefly because of the practice of the American principle of protection to American industries, holding the markets even in those distant States, almost bordering on the Canadian line, for American manufacturers and shippers. And why not? We of the South buy much of our machinery, lumber and logging equipment, cereals, etc., from all that territory, and why not our northwestern friends buy their lumber of us? So far as the legitimate American manufacturer is concerned, he is in favor of it, but when you come across some fellow who is directly or indirectly interested in Canadian timber you will find him singing an entirely different tune. That being true, the question resolves itself into this—whether an American Congress will legislate in favor of American manufacturers and against outsiders or in favor of outsiders and against American manufacturers. That's the issue, and you can't evade it.

According to the reports of the Yellow Pine Manufacturers' Association of the South, we have shipped already during the first eight months of this year from the States of Alabama, Mississippi, Louisiana, Texas, Arkansas, and Missouri, to say nothing of the amount shipped from the South Atlantic States, covering the two Virginias, Maryland, and South Carolina, Georgia, and Florida, 39,626,773 feet of southern pine into Michigan, 184,351,584 feet into Illinois, 25,334,639 feet into Wisconsin, and 91,990,231 feet into Iowa. With the repeal of the \$2 tariff this territory would be largely, if not wholly, supplied from Canada. If you would let down the bars and open wide the gates of the United States to Canada, Mexico, Australia, British Columbia, Vancouver, the Bahama Islands, and other countries where the price of stumpage ranges far below that in this country, you wouldn't be long finding out where the American market will go.

From the figures at hand the South produces on an average about 18,000,000,000 feet of lumber annually, or in round numbers practically one-half of all the lumber produced in the United States. It is estimated by experts that we have possibly 250,000,000,000 feet of lumber standing on the stump in the South to-day. Having shown

that under a protective tariff there is a profit in the manufacture of this lumber for our people of approximately \$3.50 per thousand feet, \$2.50 of which would be lost by the repeal of the tariff, and the uncertainty in prices that our manufacturers would have to indulge in to capture the business would amount to another \$1.50 to \$2, so that the South would lose by one stroke of the pen just \$63,000,000 annually, thereby entailing still greater loss, for striking down the lumber business would undermine the foundation of other industries and ultimately carry all down together; or, on the present volume of stumpage standing, by the time it is cut up we would have lost the stupendous sum of \$882,000,000. This much, to say nothing of the shrinkage in other lines, which will easily aggregate ten to twenty times as much.

Now, the next question forcing itself to the front is by whom this loss of so many millions of dollars in the South be sustained—by the mill men altogether? Not a bit of it, but by the farmer as well, the merchants, lawyer, doctors, bankers, and others in the rural districts, villages, and towns throughout the land, as we showed above, owning parcels of stumpage ranging from 100 to 1,000 acres. But the damage done by the removal of the \$2 duty on lumber wouldn't stop here. Similar losses would have to be sustained by iron, steel, tin, coal, wool, cotton, hides, and other lines of manufacture, besides hundreds of other things needless to mention here. Such losses would aggregate figures so appalling and far-reaching as to paralyze trade and commerce in every avenue of business and arrest the wonderful progress of industrial development now going on throughout the land, reducing the earning capacity of every wage-earner in the land, curtailing the volume of freight moving over railroads, etc. At the same time there would be a curtailed demand for everything made or manufactured in this country, as well as the products of the farm, the field, the vineyard, and the forest. This would necessarily carry with it a reduction in the number of employees and the wholesale discharge of men not only in the railroad service, but in factories, mills, mines, banks, and every other occupation, and correspondingly lessen the purchasing power of another element of buyers whose consumptive capacity is enormous each year.

In conclusion, I would state, Mr. Chairman, that there are those who also contend that the repeal of the present \$2 tariff would prolong the life of our timber supply and thereby conserve American forests. A bigger mistake could hardly be arrived at. With the tariff repealed or modified, so much timber would be left in the woods for the want of a market for our low-grade lumber that the manufacturer would have to cut up practically 20 per cent more acreage to get the usual stumpage each year that the life of our forests would be actually cut short from one-fourth to one-fifth.

In the light of all these facts, then, gentlemen, I for one draw the line at opening our gates to the free importation of foreign lumber to the United States in open competition with our own people. I stand for this doctrine and principle for the reason that it has been this policy that has built up and made the United States the leader in that grand galaxy of nations inhabiting the earth. It has been this policy that has built up a home market and furnished ready employment for every willing hand and vouchsafed a maximum earning capacity for every wage-earner in America. It has been this policy

that has multiplied our manufacturing industries in every State throughout the Union, and dotted the hillsides and plateaus of Dixie with mills, factories, mines, and manufacturing industries of every name and kind. It has been this policy that has enabled the lumberman to bear aloft the torch of civilization and plant the seeds of progress and development in the dark corners of wild woods and rural districts, exploring forests, stream, and jungles, perchance facing sickness or death on the one hand and isolation from home, family, and comforts on the other, thereby stimulating thrift and industry among a people who might otherwise have become laggards, and transforming a howling wilderness into fields of growing corn, wheat, rye, oats, barley, orchards, and vineyards, as well as thriving towns of commerce and trade, and lifting the standard of American citizenship to higher ideals.

It has been this policy that has contributed largely to the establishment and maintenance of banks and other corporate wealth in all parts of the country and thereby furnished a working capital for the development of other resources and the upbuilding of our industries, for it would, indeed, be difficult to find a bank or any other manufacturing enterprise in any country without a lumberman being on its directory or one of its principal stockholders and officers. It has been this policy that has builded so many cotton, iron, and steel mills all over the land, under the shadows of which have been reared churches and schoolhouses where religion and education had hitherto been oftentimes unknown before. It has been this policy that has laid the foundation and oftener than otherwise driven the first spike in lumber roads that subsequently developed into important divisions of great trunk-line systems. It has been this policy that has attracted capital into our midst and thereby made possible the accomplishment of things otherwise impossible. It has been this policy that has revived and imparted new life into waning industries, restored lost confidence between man and man, and inspired fresh followers in every great movement for the upbuilding of our country and the development of our resources, without regard to geographical divisions. It has been this policy that has beckoned the capitalist and builder upward and onward in the march of progress and development, proven the sheet-anchor of his safety for investments and a guaranty of legitimate returns on his money. It has been this policy that has brought order out of chaos and prosperity out of adversity, peace and plenty to the hearthstone of the hovel as well as the fireside of the palace. Indeed, it has been this policy that has made "two blades of grass grow where only one grew before," caused our land to blossom and bloom like a rose and "flourish like the green bay tree," and, I may add in conclusion, Mr. Chairman, that every time we have departed from this policy and wandered after strange gods it has only been a case of history repeating itself, and we have accordingly repented of our folly in "sackcloth and ashes."

STATEMENT OF CAPT. H. H. TIFT, OF TIFTON, GA., IN ADVOCACY
OF RETENTION OF PRESENT DUTIES ON LUMBER.

FRIDAY, *November 20, 1908.*

Mr. Chairman and gentlemen of the Ways and Means Committee, I represent the Georgia-Florida Sawmill Association, the membership of which is composed of sawmill men in the States of Georgia and Florida; about 175 mills represented in that association.

I am also a manufacturer of yellow-pine lumber, both in the State of Georgia and in the State of Florida.

I wish to state very briefly some of the reasons that appeal to the Georgia-Florida lumber men why the tariff on lumber should be maintained under the present schedule.

I wish to say that the production of lumber in Georgia is about 800,000,000 feet. The production of lumber in Florida is about the same amount. I think the lumber industry in Georgia ranks second, agriculture only employing more men and having more money invested in it than the lumber industry.

In 1907 there were about 1,000 sawmills in operation in the State of Georgia, and perhaps 700 in operation in the State of Florida. Since the panic a great many of those mills have gone out of business and the number of mills in operation is considerably less now.

I want to say, as to the question of tariff affecting our lumber in Georgia and Florida, that the problem in our mills—and it is a problem confronting all the sawmills the world over, perhaps—is to find a market for our low-grade lumber.

Right here I want to refer to the question of the conservation of the forests. The only way in which we can conserve our forests in the States of Georgia and Florida, in my opinion, is to find markets so we can utilize the whole product of our forests.

As you gentlemen are no doubt aware, our forests are boxed for turpentine, and the turpentine industry covers practically the whole territory of southern Georgia and Florida. The lumber is there boxed, or will be boxed as the turpentine men reach it. That brings about a condition which makes it a necessity that that timber should be cut by the lumber men within a reasonable period of time, because, as I presume you gentlemen know, it is the custom down in that country—and it is a custom which we are trying to stop—that the farmers and people who own cattle burn the woods off every spring. They think that is just as necessary as to plant the crops. The result is that fires go through and destroy an immense amount of timber every season. That is a condition that exists there.

Now, to come to the problem where we would be affected by the abolition of the tariff, as I stated, we are trying to find a market for our low-grade lumber. We are trying to get everything we can out of our timber; and the effect of the removal of the tariff would be to bring us in competition with the low-grade lumber of Canada, as well as the other forest countries—British Columbia, Mexico, Nova Scotia, and possibly British Honduras.

MR. CLARK. Do you think there was ever a stick of lumber shipped into Georgia?

MR. TIFT. No, sir; we do not think so—

Mr. CLARK. How would it bring you in competition with them, then?

Mr. TIFT. Simply because the market for our timber is not in Georgia.

Mr. CLARK. Part of it is in Georgia.

Mr. TIFT. Only a small portion of our lumber is sold in Georgia.

Mr. CLARK. You do not ship in lumber from the outside that you use in Georgia?

Mr. TIFT. No; but we ship our Georgia lumber into markets north of the Ohio River, into New England, New York, Pennsylvania, Maryland, and West Virginia, and all through that territory.

Mr. CLARK. What do they burn those woods off for?

Mr. TIFT. Well, they do it because their daddies have done it; they do it so as to get early range for the cattle. At least that is what they say.

Mr. CLARK. Does it hurt the trees to burn the woods in that way?

Mr. TIFT. Yes; it does.

Mr. CLARK. Does the fire burn the trees?

Mr. TIFT. Yes; there are millions of feet of lumber burned up every year.

Mr. CLARK. Mostly dead trees?

Mr. TIFT. Not only dead trees. It kills the trees with leaves on them.

Mr. CLARK. Do you have any grass like timothy or clover that you do not have to sow every year—perennial grasses?

Mr. TIFT. We have the Georgia wire grass.

Mr. CLARK. Is that good pasture grass?

Mr. TIFT. It is pretty fair pasture grass; yes.

Mr. CLARK. Is that what they burn that off for?

Mr. TIFT. They burn the woods off so as to bring that grass up a little earlier.

Mr. CLARK. You follow the same plan they used to follow on the prairies?

Mr. TIFT. We lumbermen do not; it is the farmers, the country people, that do that.

Mr. CLARK. They do not burn anybody's trees except their own, do they?

Mr. TIFT. They burn that whole country, and a regiment of soldiers could not stop it, in my opinion.

Mr. FORDNEY. The timber burns more rapidly after being turpented, does it not?

Mr. TIFT. Yes, sir. Those fires do not injure virgin timber very much, but they burn a considerable portion of all the timber that is boxed.

The CHAIRMAN. After it is turpented you use it for lumber?

Mr. TIFT. Yes, sir.

The CHAIRMAN. You have got an advantage by reason of using the turpentine as a by-product.

Mr. TIFT. The lumbermen do not get the benefit of that.

The CHAIRMAN. You take it out for amusement?

Mr. TIFT. No; we take the timber after the turpentine men get through with it.

Mr. HILL. You say you want to find an outlet for your low grades of lumber?

Mr. TIFT. Yes, sir.

Mr. HILL. Your market is largely Sound ports, is it not?

Mr. TIFT. Yes, sir.

Mr. HILL. And you ship by water?

Mr. TIFT. Yes, sir. That brings out one feature of our business that I would like to call to the attention of the committee.

Mr. HILL. One moment before you go into that. I would like to inquire what you sold common roofers for last year?

Mr. TIFT. We have not a roofer grade.

Mr. HILL. It is about the lowest there is, is it not?

Mr. TIFT. It is equivalent to our No. 2—

Mr. HILL. Coarse common. In 1907, what was the price, delivered in Sound ports?

Mr. TIFT. A grade equivalent to roofers—we do not ship a roofer grade—

Mr. HILL. Did you not get from \$18 to \$20 a thousand for it?

Mr. TIFT. No, sir.

Mr. HILL. That is what they paid up there.

Mr. TIFT. At what point, sir?

Mr. HILL. How low did you sell that twelve years ago or fifteen years ago?

The CHAIRMAN. Which one?

Mr. HILL. The same grade.

Mr. TIFT. I hardly know what to say as to roofer grade, because that is not a grade in yellow pine. I understand it is equivalent to our No. 2 common grade.

Mr. HILL. Very coarse, knotty boards.

Mr. TIFT. Eight inches and upward?

Mr. HILL. Yes; and tongued and grooved.

Mr. TIFT. The price of that kind to-day is \$10. Last year—

Mr. HILL. What do you mean; delivered at Sound ports?

Mr. TIFT. I am speaking f. o. b., mill prices.

Mr. HILL. What do you pay Sound ports?

Mr. TIFT. My mill is a railroad mill, 130 miles from Brunswick. Our rate is \$4 a thousand. The average freight rate to New York will be from \$5 to \$6.50, depending on conditions. The rates now, for the last year, I think, run from \$4.50 to \$5. It goes up as high as \$7 some seasons.

Mr. HILL. That would make it about \$20 delivered. What did you sell them at twenty years ago?

Mr. TIFT. About twenty years ago we did not make any.

Mr. HILL. Oh, yes; I bought them myself.

Mr. TIFT. You mean in the yellow-pine district?

Mr. HILL. North Carolina.

Mr. TIFT. Roofers is particularly a North Carolina product. Our yellow pine goes into a different working lumber. We are just now beginning to make some roofers in yellow pine. We regard it as No. 2 common—No. 2 common, or roofing boards. Under the present market they are worth \$10. A year ago the same grade of lumber would have brought about \$5 more.

Mr. HILL. That would make it about \$23 delivered up there?

Mr. TIFT. Yes, sir.

Mr. HILL. You do not sell it as low as \$12 delivered up there?

The CHAIRMAN. He said ten, I think.

Mr. HILL. No; I mean mill price.

Mr. TIFT. I never shipped any there myself. I could not say on my own knowledge.

Speaking in regard to the necessity for getting all of the output from a given body of lumber, perhaps if I give you an experience it will illustrate the point I want to make.

I commenced sawing lumber in Tifton in 1872. That was before we had dry kilns or planing mills. We simply manufactured then practically hard lumber. Everything that did not make hard lumber was left in the woods. We would cut down our trees and leave the tops, and the stumps, and our average output in 1872 was from 2,000 to 2,500 feet. Since that time we have put in dry kilns, planing mills, shingle mills, and lath mills, and have endeavored in every possible way to extend our market to increase our product from our timber. The same timber that was cutting 2,000 feet to 2,500 feet to the acre in 1872 will cut now with the market we have about 10,000 feet to the acre. That is the point I wish to call to your attention—

Mr. RANDELL. There are immense forests and all sorts of timber in Mexico that would compete with your southern timber if the tariff were removed?

Mr. TIFT. Yes. I think there is no question of that.

Mr. RANDELL. And they are very easily accessible to the East and that lumber can be delivered at Gulf ports and Atlantic ports?

Mr. TIFT. I am not very familiar with the situation, except that I understand that there are large bodies of good pine timber in Mexico, and I presume it is available to the ports. I am also advised—

Mr. RANDELL. And that could reach the Gulf ports and Atlantic ports and compete with the southern lumber, and of course that could reach the ports they have in Texas and be available for building material all through the western territory, all through the western prairie country, could it not?

Mr. TIFT. Yes, sir. And that timber could also be shipped in foreign bottoms to eastern markets at a freight rate very little above the freight rate that prevails as to coastwise vessels.

I want to say a word as to delivering our shipments from Georgia and Florida ports into New York. Those shipments employ a very large number of American coasting vessels; not only employ a large number of coasting sailing vessels, but furnish a very large amount of freight to coastwise steamers.

Now, if that volume of business is to be turned over to Canada and Nova Scotia and Mexico that volume of lumber would be moved in foreign bottoms; so that instead of serving our coastwise trade, as well as increasing our merchant marine, the effect of transferring this business from Georgia and Florida to Canada would be to transfer the carriage of this lumber from American vessels to foreign vessels. I think that is a matter that ought to be considered in that connection. I think it has been stated during this meeting that the revenue derived from Georgia lumber is about \$3,000,000. I think it has also been stated that the labor conditions in British Columbia and Canada were possibly about the same as in this country, and the inference was that it would cost as much to make lumber in Canada as it would cost to make lumber in this country, and that therefore we

need not fear the importation of lumber from Canada, Nova Scotia, and the British provinces.

But that brings me back to the question of the disposition of the low-grade products. We are trying to extend our markets in the East and in the West. That product with the tariff off would come in from Nova Scotia and Canada into the eastern market at New York, and as a business proposition it would drive us out of those markets, or put us where we could not compete. They would get into New York on quicker time and lower freight.

Mr. FORDNEY. You believe in the general principle of protection to American industry?

Mr. TIFT. Yes.

Mr. FORDNEY. You do not want your industry taxed at the expense of all others, do you?

Mr. TIFT. No, sir.

Mr. FORDNEY. Therefore you want a \$2 duty retained in order to let you compete in markets with your neighbor instead of the Canadians?

Mr. TIFT. Yes, sir; and not only that—

The CHAIRMAN. Oh, answer the question. Do not go on with a speech.

Mr. FORDNEY. The gentleman is trying to answer, and I am satisfied with his answer. Go ahead and answer.

Mr. TIFT. I simply wish to say that as a reason for not wanting the tariff changed we did not wish to change the present business conditions. If the tariff is changed in any respect, we have to adjust our conditions. We want to get down to a basis where we can get along.

STATEMENT OF J. D. LACEY, OF CHICAGO, ILL., WHO URGES THAT DUTIES ON LUMBER BE NOT REDUCED.

FRIDAY, *November 20, 1908.*

Mr. LACEY. Mr. Chairman and gentlemen, I am interested in the lumber business to an extent, but more particularly in the land end of the business.

I heard a great many questions asked to-day in reference to the stumpage part of the business and the general timber industry of the country, and also as to the tariff in relation to Canadian lumber.

I have been in this timber business for about thirty years, in all parts of the Atlantic States and Canada, and in South and Central America. So I have given it a pretty careful investigation, both as to quality and quantity, and also with reference to the tariff from time to time, as it has come up.

I have been in the southern lumber business since 1890, in Georgetown, S. C. I have been in the short-leaf pine and cypress business.

During the Wilson bill we lost money on our lumber, on account of the low price for low-grade stock. The first four years we were in business we did not make any money. Since then we have made a fair profit. We have paid a dividend of from 6 to 10 per cent a year.

But while there has been a moderate profit on the lumber manufactured, in the same locality there has been an increase of several hundred per cent in the value of the stumpage itself, and the whole

question to-day, in the increased cost of lumber, resolves itself down to the increased value of stumpage and the increased value of labor. And when I say labor I mean not only the labor that enters into the wages to our employees, but labor that enters into the wheat and corn and oats and everything that the lumbermen buy.

There has been a great deal of talk to-day about saving to the farmer, that the price of lumber was too high for the farmer. But I have not heard anyone say that wages should be cut down. If the price of lumber is too high, there is only one way to reduce it, and that is to reduce wages. You can not reduce the price of stumpage, because more stumpage is owned by more people probably than any other industry in the country.

It is the general idea that the holdings are in a few hands, but that is a very erroneous impression. There are thousands and thousands of individual owners.

My business has been in the West for the last twelve years, to consolidate the homestead and the timber claims into larger and more compact bodies, to make them more valuable for operating purposes.

The same way in the South and other sections of the United States. So I am probably as familiar with the holdings of timber land as any man in the United States to-day, and I know while there are very many large institutions and a great many individuals holding large bodies of timber there are also a great many holdings in the hands of individuals which are small holdings—a great many individuals have small holdings.

If you reduce the duty on lumber, you must reduce the duty on other things to make wages lower, to bring the price of lumber below what it is. I do not think you will ever see the price of stumpage lower than it is. I have been watching it. I have been in the business ever since I was a boy, forty years ago. I knew something about it when I was a boy in Pennsylvania, and then I went from there to Michigan, and I know that you could buy the best lands there from \$2.50 to \$5 an acre. From Michigan I went to Missouri. In Missouri in 1880 we bought timber land at 50 cents an acre; in fact, it sold as low as 30 cents an acre.

Then, as the stumpage in Michigan increased in value, the lumber industry of the South developed and stumpage value increased. Then, as the stumpage in the South grew in value, the coast timbers came in the market and the values of stumpage on the coast advanced.

Now, in Canada, the custom there is entirely different from what it is in our country. The government there leases the land on from five to twenty-one year leases. It is sold at auction to the highest bidder. A large percentage of those government leases to-day are owned by individuals, just the same as the timber is owned here, and I have known leases to sell as high as \$10 per thousand for white pine stumpage.

Ordinarily, though, the price of Canadian stumpage is very much less than our American stumpage.

In eastern Canada the price for labor is a little less than it is in the South. In portions of British Columbia it is less. In other portions it is higher. While in some localities in Canada labor is practically equal to the United States, in other localities it is considerably less. Particularly is that so in Nova Scotia, New Brunswick,

and Quebec. That is the section that more particularly affects the East than any other section of Canada. We get it to New England in competition with our low-grade stock, and we get it by canal by the St. Lawrence River.

I am interested in a sawmill in North Carolina. We cut hemlock, spruce, poplar, and some other hard woods. Our mill has been shut down for the last year.

A friend of mine in Quebec has shipped within sixty days 8,000,000 feet of spruce into New York at a lower price than our Virginia friends could ship it for.

In conversation with the various manufacturers of lumber in Canada, in discussing this tariff problem, which I did last summer—I spent six weeks in Canada and saw several lumber men while I was there—as a rule they do not want this tariff changed; they would rather see it as it is. One reason is, it would cause an unsettling of the market. Another reason is, they haven't any more lumber over there than they want. It will not be very long before that portion of the country will be wanting to ship in lumber themselves. If you take off this \$2 a thousand duty, they tell me that they can cut their timber closer and ship that low-grade stuff into our markets. That we all know. The moment that is done our manufacturers can not, or will not, cut the low-grade stock—the top log—that in the last few years we have been cutting, and that would be left in the woods.

In 1880, when I first went South, in Louisiana and Mississippi and those coast States, we estimated what the value of government land was. It was nearly all vacant then, and it was timber land. In 1879 it was offered at \$1.25 an acre. We located several million acres for northern lumber companies. We estimated those lands would cut about 6,000 feet per acre, as they were then cutting timber. They were not going above the first limbs; the balance was left in the woods or burned up.

The CHAIRMAN. Did they make money then?

Mr. LACEY. They did not make very much then.

The CHAIRMAN. They were struggling along?

Mr. LACEY. Yes; they were struggling along. The local lumber men there were mostly cutting government timber, and even then they could not make any money.

The price began to advance as stumpage began to advance in value. We began to increase our estimates and they began to cut more to the acre. It has grown from 6,000 until to-day in Louisiana and Mississippi they are cutting from 12,000 to 15,000 feet to the acre, or they were a year ago. At the present time they are not doing it because the general depression has prevented them from making it profitable. But with the prices that prevailed they were able to take out most of the tree and work it up so that it was profitable.

That is one of the greatest sources and will be one of the greatest sources of conservation for the present stand of timber that we can have, the proper maintenance of a price that will warrant the taking out of the entire tree and making it into some useful product, lumber and building materials of various kinds, pulp wood, and many other things that it can be worked into, when the prices of commodities will warrant it.

On the other hand, if we reduce the price of our lumber we can not afford to work out the full amount that there is in the woods, and the length of time that our timber will last will depend very largely on how we cut it.

We will cut 66 or 100 per cent, and it will depend largely on what the price is whether we cut two-thirds of the timber and leave the other third in the woods to waste, or take out all the available timber, because the lumbermen are like the rest of humanity; they work for a profit.

The CHAIRMAN. How long prior to 1907 did they cut this low-grade stuff and make it up into lumber?

Mr. LACEY. About ten years. It began in the South; in Missouri first, and then in Arkansas, Louisiana, Mississippi, and other coast States.

The CHAIRMAN. Did they cut that and make a profit?

Mr. LACEY. Not on the low-grade stuff, but there was a price high enough to warrant making more of the low grades.

The CHAIRMAN. You say you did not make any profit on low grades?

Mr. LACEY. Very rarely you do on the low grades.

The CHAIRMAN. That gives you a loss?

Mr. LACEY. You dispose of your low-grade product so as to help out to some extent—you want to get something for it if you can, to make up the average.

The CHAIRMAN. And what did you sell it for?

Mr. LACEY. It depended on what section of the country you disposed of it in—

The CHAIRMAN. Oh, well, what was the average price?

Mr. LACEY. It makes a great difference. For instance, the average price from 1884 to 1892 was from \$10 to \$12 a thousand—

The CHAIRMAN. How much was the high-grade stock worth at that time?

Mr. LACEY. In Michigan white pine was up to \$20 and \$22 a thousand.

The CHAIRMAN. Did it cost any more to make the low-grade stock up into lumber?

Mr. LACEY. Yes; because you have more expense.

The CHAIRMAN. How much more difference?

Mr. LACEY. I could not figure that out to a nicety. There are more logs—some logs and the tops simply knotted—it costs more to saw them; it takes more time to handle them. The cost is more expensive all the way through.

The CHAIRMAN. It didn't cost much more?

Mr. LACEY. Well, it cost about \$1 or \$2 a thousand more, probably.

The CHAIRMAN. And you were able to make it at a profit. Of course, last year the price of lumber was low?

Mr. LACEY. Yes; it is low now.

The CHAIRMAN. There is not much demand for it?

Mr. LACEY. No.

The CHAIRMAN. Have you cut wages?

Mr. LACEY. Somewhat.

The CHAIRMAN. How much?

Mr. LACEY. Probably from 5 to 10 per cent.

The CHAIRMAN. Has there been any general cut of wages?

Mr. LACEY. I think there has been; yes, sir.

The CHAIRMAN. A general cut in wages?

Mr. LACEY. Yes, sir.

The CHAIRMAN. Where?

Mr. LACEY. In the South.

The CHAIRMAN. In the South?

Mr. LACEY. Yes, and in the West.

The CHAIRMAN. South and West. You know that is a pretty large territory.

Mr. LACEY. You might say all the way from Richmond, Va., to British Columbia on the Pacific coast.

The CHAIRMAN. How much of a cut in wages has there been?

Mr. LACEY. It would vary in different localities. In our own mills we have cut wages from 10 to 15 per cent. Probably it would not average over 10 per cent.

The CHAIRMAN. And how much did you cut your dividends?

Mr. LACEY. We have not had any dividends.

The CHAIRMAN. You mean in the last year?

Mr. LACEY. We have not had any in the last year; no, sir.

The CHAIRMAN. You never have had any?

Mr. LACEY. Not in the last year.

The CHAIRMAN. Ten years before—for ten years you have had dividends, have you not?

Mr. LACEY. We had dividends for about eighteen years regularly.

The CHAIRMAN. How much?

Mr. LACEY. We pay regular 6 per cent dividend, and occasionally we would have a surplus and we would put it in timber lands.

The CHAIRMAN. Did you put your surplus in the stumpage?

Mr. LACEY. Yes; we have acquired more stumpage when we could.

The CHAIRMAN. And you took that out of your earnings?

Mr. LACEY. Earnings and outside investments.

The CHAIRMAN. You acquired the stumpage independent of your earnings?

Mr. LACEY. Yes.

The CHAIRMAN. You did not take that out of the 6 per cent, I mean?

Mr. LACEY. No, sir.

The CHAIRMAN. You took it out of your earnings, and you have as much stumpage now as you had ten years ago, have you?

Mr. LACEY. Yes; we have more stumpage now.

The CHAIRMAN. And you have cut off a good deal of what you had then?

Mr. LACEY. Yes.

The CHAIRMAN. All of it?

Mr. LACEY. No; we have some of the holdings we had then.

The CHAIRMAN. Have you cut out as much in area as you had ten years ago, an equal amount—well, about, I don't want to take too long, if you can not answer it.

Mr. LACEY. Yes; just about.

Mr. CLARK. It does not make any difference what happens, the stumpage man either holds to what he has or gets more; the stumpage always goes up?

Mr. LACEY. It will continue to go up.

Mr. CLARK. Nothing on earth makes them lose?

Mr. LACEY. No, sir.

Mr. CLARK. Everybody else may lose in the lumber business, but the stumpage man makes his profit?

Mr. LACEY. Well, so far as the manufacturer of lumber is concerned, I do not think there is a lumberman in this room that can show that he has ever made much profit on the strict manufacture of lumber; he has made his money in buying low-priced stumpage and holding until changed conditions of some kind advance it to a manufacturing profit.

Mr. CLARK. Are you a partner in the firm of McCormick & Co.?

Mr. LACEY. No, sir.

Mr. CLARK. Have you any dealings with them?

Mr. LACEY. No, sir. I have sold them timber lands. My business has been, strictly speaking, buying and selling timber lands.

Mr. CLARK. When did you sell them timber lands?

Mr. LACEY. In 1897 and 1898.

Mr. CLARK. How much did you get for them?

Mr. LACEY. I got from \$10 to \$20 an acre for them.

Mr. CLARK. How much a thousand feet?

Mr. LACEY. They run from about \$1 to \$2 stumpage. In the South—

Mr. CLARK. Well, wait a minute; I don't care about the South.

Mr. LACEY. This was in the South—

Mr. CLARK. How much do they get for that stumpage to-day?

Mr. LACEY. That is worth from \$4 to \$5 to-day.

Mr. CLARK. They have made a profit, then, of some 400 or 500 per cent in that length of time?

Mr. LACEY. Yes, sir.

Mr. CLARK. Then, nothing in the world, no matter what happens—earthquakes, or cyclones, or what—will keep them from making a profit; they simply go on and make their profit?

Mr. LACEY. They make their profit up to a certain point, and then it will stop, as cost of lumber approaches cost of brick, cement, and iron construction.

Mr. CLARK. As a matter of fact, did they not buy a million and a half acres of land at about \$6 an acre?

Mr. LACEY. I didn't know what the exact figures were. At the time they were buying that at \$6 an acre we were buying land on the coast at about the same price.

Mr. CLARK. Was there not a great row about that whole thing being turned over to the Weyerhaeuser Company?

Mr. LACEY. I have never heard so.

Mr. CLARK. Did they not talk about investigating it, as a matter of fraud?

Mr. LACEY. About a million acres, I understand, belonged to the Northern Pacific, and they sold it to Weyerhaeuser.

Mr. CLARK. They got it at \$6 or \$7 an acre, did they not?

Mr. LACEY. Probably somewhere in that neighborhood; yes, sir; although I do not know exactly what they paid for it.

Mr. CLARK. Well, how much is that land worth now?

Mr. LACEY. It is worth probably an average of \$50 an acre.

Mr. CLARK. That is a right steep profit in that length of time, is it not?

Mr. LACEY. Yes, sir.

Mr. CLARK. Now, as a matter of fact, Mr. Lacey, when you come down to this stumpage, they got that land for about 15 cents a thousand, did they not?

Mr. LACEY. Yes, sir.

Mr. CLARK. And they hold it now and charge these manufacturers of lumber about \$3 a thousand?

Mr. LACEY. I do not think they are selling it at \$3 a thousand. I think it is \$1.50 to \$2. They may occasionally sell some for \$3 a thousand. Of course the stumpage they are selling to-day is stumpage that is very available to transportation.

Mr. CLARK. And yet they can not afford to have the tariff taken off lumber?

Mr. LACEY. It is not the holder of the stumpage so much as it is the manufacturer of lumber—

Mr. CLARK. Do you think if this \$2 tariff was taken off that there would be any imminent danger of Mr. Weyerhæuser and Mr. McCormick landing in the poorhouse?

Mr. LACEY. No, sir; nor any other men of means landing in the poorhouse—that is, men who have been foresighted enough to make good investments like that. So far as the duty on lumber is concerned, I do not see how any man can call it a highly protective duty or that you can call it any more than a revenue tariff.

Mr. CLARK. You do not buy any lumber for consumption, do you?

Mr. LACEY. Yes, I do; and I buy some iron, and I asked why the price was so high, and the carpenter told me—

Mr. CLARK. Wait a minute. Whenever you commence that business you are precipitating a row over among those gentlemen at the other end of the table.

Mr. LACEY. I can not help that. Pig iron or coal to-day—

Mr. CLARK. Does it strike your mind, you being a fair-minded, philanthropic American citizen, that it would be fair to cut these tariffs down equal to the rate on lumber?

Mr. LACEY. I say cut them down if you want to, but when you cut the tariff down you will cut down your producing power, and when you cut down your producing power you will have to cut down your wages.

Mr. CLARK. What do you mean by cutting down your producing power?

Mr. LACEY. I mean the man I am paying \$2 a day to, if everything else is cut down, will have to have his wages cut down also.

Mr. CLARK. You have not ingenuity enough to squeeze a part of that out of the stumpage men, instead of taking it all from labor?

Mr. LACEY. Well, they pay their proportion in taxes, and so on.

Mr. FORDNEY. You speak of the relative cost of lumbering. Where you live a large percentage of the tree is left in the woods. You say that your lumber runs from two to four logs to a tree?

Mr. LACEY. Yes, sir.

Mr. FORDNEY. It would cost you just as much to run a railroad to take off your lumber as it would if you utilized all of your tree?

Mr. LACEY. Yes.

Mr. FORDNEY. And therefore it increases the cost of taking up what you do take?

Mr. LACEY. Yes.

Mr. FORDNEY. And naturally the consumer must pay that eventually?

Mr. LACEY. Yes.

Mr. FORDNEY. Now, then, if that is right, I want to ask you another thing. Much has been said about Mr. Weyerhæuser's investment of 1,000,000 acres, having acquired that from the Northern Pacific Railway Company. Is he to be criticised or punished because his wisdom told him that he was making a good investment when he acquired that land, and because it is worth more money to him now than when he bought it?

Mr. LACEY. I do not see how you can criticise him for doing that any more than you can criticise any other men who have acquired government lands other than timber lands that have become more valuable.

The CHAIRMAN. I do not think there is any question about that, and I do not think we ought to go into it.

Mr. LACEY. In the South, from 1880 to 1887, the uniform prices of government lands were \$1.25 an acre except where there had been railroad grants. Where there were those grants the land was worth \$2.50 an acre. It did not make any difference whether that land had lumber or not, it was \$1.25 an acre. After the major portion was entered the Government then withdrew the lands, and few were left subject to homestead entries. In Louisiana and other Southern States the price then began to advance. Before that there was no big value. A man that came down there could get government lands for \$1.25 an acre, and therefore you could not get \$2.50 an acre for your lands.

Mr. FORDNEY. I have known Mr. Weyerhæuser for a good many years, and have had dealings with him, and you have doubtless known him much longer than I have. Have you ever known him to do anything that could be called dishonest; have you ever known him to do anything in his life that was wrong?

Mr. LACEY. No; I have never heard him criticised in any way other than that he was a man of wonderful ability, and he is recognized as a man who has been a pioneer all his life; he has been a man who has gone into the forests and developed the country. Wherever Mr. Weyerhæuser has gone development and civilization has followed in a most substantial manner.

Mr. FORDNEY. The question was asked you if it was not likely that he would be able to keep out of the poorhouse with careful management. Do you know of any reason why he should go to the poorhouse?

Mr. LACEY. I do not. I do not understand why a man of his ability and enterprise and good judgment should have to go to the poorhouse or why he should be considered a conspirator—

Mr. FORDNEY. The intelligent people of the country admire a man like that; they admire his ability and enterprise and philanthropy?

Mr. LACEY. I think so.

Mr. CLARK. If Mr. Weyerhæuser and Mr. McCormick got that million acres of land at 15 cents a thousand feet, do you think the people of the United States ought to be taxed to give them \$2 bonus a thousand feet where they spent 15 cents?

Mr. LACEY. Well, I do not think you are taxing them to give that money to Mr. Weyerhæuser or Mr. McCormick. I am sure if you do not put that \$2 on lumber you will have to put it on something

else. You might economize, but you are not going to save anything by taking that tax off and putting it somewhere else.

Mr. CLARK. Suppose you did not put it anywhere else?

Mr. LACEY. Well, then, we would live cheaper and would not build any of these canals or other things the Government is spending so much money on.

Mr. CLARK. Well, they are issuing bonds for the canal.

Mr. FORDNEY. In your opinion, is it not true that Mr. Weyerhaeuser and his associates employ more men in the lumber industry in this country than are employed in any other one business?

Mr. LACEY. I think that is probably true, with the possible exception of the United States Steel Company. I think possibly they employ more men than any other company.

Mr. FORDNEY. I am referring to the lumber business. Does the lumber business not employ more men than any other industry, and does it not pay an American scale of wages?

Mr. LACEY. Well, the lumber men all over the country have developed the country. You may take wherever the lumber men have gone and bought timber lands. The lumber men have gone in and they have induced railroads to come in, and as a result civilization and development have taken place and towns and cities have grown up.

In Louisiana in 1880 the entire assessed valuation of Calcasieu Parish was \$500,000. In 1897 it was \$22,000,000. That increase had come about by reason of the development of the lumber industry, rice cultivation, etc. They spent millions of dollars in the building of canals, sawmills, and railways.

You take it all over the United States and you will find that the lumber man has been the pioneer in the development of the country.

STATEMENT OF T. B. WALKER, OF MINNEAPOLIS, MINN., WHO THINKS THAT THE DUTY ON LUMBER SHOULD BE INCREASED RATHER THAN REDUCED.

FRIDAY, *November 20, 1908.*

The CHAIRMAN. Mr. Walker, representative of the Red River Lumber Company.

Mr. WALKER. I came at the especial request and as the representative of the Northwestern Lumbermen's Association. I am president of the Red River Lumber Company, but I did not intend coming representing that corporation. I dislike to come before you, after your long day's work, so late at night. You have given closer attention to this subject to-day than I have ever known any committee or commission to give to any subject.

The CHAIRMAN. Please speak a little louder.

Mr. WALKER. I have observed the unusual and careful attention which you have given to this tariff question, to everyone who has spoken, more so than I have ever known any similar body of men to give to any investigation. Consequently, you must be tired and

weary, and no doubt will be better pleased to have me shorten my remarks, and I will not tire and weary you by continuing them to great length.

The only point that I will try to consider is that of the conservation of our forests and the underlying facts and principles, and as they have contributed to denuding the forests and which they will continue to contribute to with reference to the remainder of the timber if continued.

The Conservation Commission and the Forestry Department are now investigating the subject of overproduction and overconsumption, in order to determine what part, as a factor, they have been in the past in contributing to the denuding of our forests.

In order to understand what part or responsibility the government agency and the insufficient tariff has had to do with present conditions, it will be necessary to review more at length than I will venture to do here to-night to show the part which the Government has had in its methods of handling the timber, resulting in compelling the lumbermen to rapidly denude the forests, and which, if continued in the future, will result in the same outcome for the remaining forests, particularly the greater ones on the Pacific coast.

The object underlying the demand for repealing the small duty existing is to cheapen the lumber to the consumer. The Forestry Department and the Conservation Commission believe that if lumber prices are reduced it will be unfavorable as to the conservation of the remainder of our timber. The policy of our Government in disposing of the timber lands is to so distribute the timber among the people as to prevent largely consolidated holdings. For that reason the homestead and other laws have been made applicable to timber lands and to take up each one, one or two quarter sections to secure the profit or advantage of the difference in value between the government prices and that which would come from selling to the lumbermen, and for some mysterious reason to seek to prevent those engaged in the lumber production from securing large consolidated holdings where lumbering could be economically and cheaply done, the same as our competitors over the line in Canada, for which the government policy has been very liberal, and granted holdings in large amounts at only nominal prices. The result of our method has been to prevent each lumberman from securing solid holdings or consolidated tracts. There is not a lumberman of whom I have knowledge who owns any one solid township of timber, but in every instance there are different ownerships where they are mixed, more or less, to the disadvantage of all. This makes extra expense in logging.

In Canada the custom has been for many years, and years before I began lumbering in Minnesota, over forty years ago, that Canada competitors were enabled to do their logging at a much lower price and secure their stumpage in large consolidated holdings at a lower price or at only a fraction of the cost of stumpage to us, which would make at least \$1.50 less than ours and logging of not less than \$1, probably nearer \$2, taxes and interest, which they do not have to pay, and which means, with us, an average on the lumber cut each year by anyone building a mill and stocking it for a term of years, the taxes on all property, including the standing timber, the annual cut of logging, sawmill and yards, the lumber stock, will altogether average not less than \$2 a thousand on the lumber cut.

Their averages on the logs cut and the lumber produced and marketed, which are the averages of all lumber cut by them in all the past many years, were not less than \$4, probably \$5, average for the lumber delivered in the market, less than we have been able to produce it in competition.

Most of the years that I have been in business we have had no tariff protection, and there are many years we had to do as they are doing in the South, as you heard a few moments ago, and as they are doing on the Pacific coast to-day, and just as they will continue to do in the future, and particularly if the small tariff is removed, of wasting approximately one-half of the available standing timber. Under the conditions from which our forests have so rapidly disappeared during many years previous to 1897, the lumber mills were able to cut only the amount of lumber shown by the Scribner's scale of logs, from which there was obtained no overrun or excess of lumber above the scale of logs. There might have been, under probable conditions, not less than 60 per cent more if it had been put into lumber in the most economical manner, the amount of 60 per cent overrun might have been obtained.

Under the circumstances in logging and manufacturing only the better grades of logs were cut and hauled, the better grades of lumber sawed and saved, as only smaller rates of wages could be paid.

If we can arrange to so handle the remaining half of our forests in the most economical and conservative manner they can be made to produce three times (300 per cent) of the amount that has been produced in previous years, taken from a given amount of timber and logs.

If, through new methods of manufacture, the conservation of the forests can be made to furnish for future years three times as much lumber as that which has been produced in the past from a given tract of timber, and made by very different methods from those which have heretofore prevailed, and which lumber will be in several respects different from that which has been heretofore produced, but so manufactured as to meet the necessary uses and requirements of the consumers, it will be the greatest factor in the solution of the problem for the conservation of the forests and in securing a future supply.

To accomplish this change in the methods of manufacture it will be necessary that lumber by the old methods bring a sufficient price to make the change practicable and to induce the consumer to use the new product as far as they can fill the requirements. Through this means a much cheaper future supply will be provided.

MR. HILL. Do you advocate an increased duty or an unchanged duty, or free trade in lumber?

MR. WALKER. If I was disconnected with the lumber business as an owner of timber, from my knowledge of lumber business, and if I was a purchaser of lumber to an extent comparable with that to which I have been and am a manufacturer, I would say to you not only to continue the present tariff, but to give an increased tariff for the best interests of the public.

MR. CLARK. You are a manufacturer of lumber?

MR. WALKER. Yes, sir.

MR. CLARK. And have been at it about forty years, I understand?

MR. WALKER. Yes, sir.

Mr. CLARK. In addition to that you own 650,000 acres of sugar-pine land in California, do you not?

Mr. WALKER. No, sir.

Mr. CLARK. How much do you own?

Mr. WALKER. I could not tell you. I own a good-sized tract.

Mr. CLARK. About 650,000 acres?

Mr. WALKER. No; not that much.

Mr. CLARK. It cost you about \$4,000,000, did it not?

Mr. WALKER. I am glad to find out what it cost me. I did not know just what it cost me.

Mr. CLARK. Estimated to have 18,000,000,000 feet of lumber in it.

Mr. WALKER. I heard some young man give some such estimate, but do not know where he gathered the figures.

Mr. CLARK. You estimate your present holdings of sugar pine in California at \$100,000,000, do you not?

Mr. WALKER. No, sir.

Mr. CLARK. Well, what amount of land do you estimate your holdings?

Mr. WALKER. Oh, I own several hundred thousand acres.

Mr. CLARK. It has a good deal to do with whether you ought to have a duty of \$2 per thousand feet.

Mr. DALZELL. I do not think it has anything to do with it. I think it is a man's private business.

Mr. CLARK. Well, we will see if we can find out.

Mr. WALKER. There was an additional statement made by the same young man that one-third of all the remaining timber land was owned by three persons—Mr. Weyerhauser, Mr. Smith, and myself.

Mr. CLARK. I wish you would tell me if you know about how much timber land you have in California.

Mr. WALKER. I do not know what particular difference that makes to you.

Mr. CLARK. It makes a good deal of difference. It goes to the credibility of your evidence, if you wish to know the plain truth about it.

Mr. WALKER. I have never figured up the amount of timber lands that I own. It probably amounts to more than one-half million acres.

Mr. CLARK. Do you think the people ought to be taxed \$2 per thousand to be presented to you, who have over 500,000 acres of timber land?

Mr. WALKER. I do not think any such thing.

Mr. CLARK. You said awhile ago you thought it ought to be raised to protect the lumberman. Is not that simply protecting the stumpage? According to all the testimony here, the only people who get anything out of this \$2 tariff tax on lumber are the men who own the stumpage.

Mr. WALKER. The rise in lumber has given more to labor—has given a greater increase in the wages of labor—than has gone to the stumpage man. This has been the case during all the years that I have been in the business. Whenever lumber rises, if it goes up 50 per cent; wages go up more than 50 per cent, and take out a proportion greater in proportion than the money that goes to the stumpage man.

Mr. CLARK. Do the laborers in the lumber business get any more than the laborers in the steel business?

Mr. WALKER. They do not get quite as much, because there is not so much protection by means of which it can be paid to them.

Mr. CLARK. Do they get any more wages than any occupation of this hard labor?

Mr. WALKER. In proportion to the value of the lumber they get a greater proportion of rise as the lumber gets higher than the manufacturer gets. They get a greater percentage of it; and it is the law of trade and manufacture that labor increases its proportional part more than capital, and, in fact, capital on the competition begins to run lower in percentage, and from a 7 or 8 per cent it will gradually run down to 5 or 6 per cent, and labor will gradually run along up. The competition does it.

The CHAIRMAN. Are you still manufacturing lumber?

Mr. WALKER. Yes.

The CHAIRMAN. And have been for the last ten years?

Mr. WALKER. Yes.

The CHAIRMAN. Have you any objection to sending the committee, for their inspection, the pay roll of your establishment, say, for the month of May in each year from 1897 down to the present time?

Mr. WALKER. No, sir; I have no objection.

The CHAIRMAN. I wish you would kindly send us that.

Mr. WALKER. Yes, sir; I will be glad to do so. You can look it over and see that the wages that were paid a few years ago, \$1.25, are now \$2.25—

The CHAIRMAN. You send us that information and we will have that before us, and we can find out all about it.

Mr. FORDNEY. Do you know of any good reason why a manufacturer with a small plant should have any more protection than a large manufacturer?

Mr. WALKER. I do not.

Mr. FORDNEY. They are all American citizens, and if they are honest they ought to be put on an equality, so far as protection is concerned.

Mr. WALKER. Yes. Perhaps you might say in regard to a small man—a man engaged in a small way in the lumber business—that he can not compete with a man who works on a larger scale, with improved machinery and methods; and you might say, in order to make him able to compete, that we would have to in some way give him something extra, some extra help; but there would be no way of doing it; there would be no propriety in doing it—

Mr. FORDNEY. Mr. Knappen this morning said that Mr. Weyerhaeuser, yourself, and Mr. Smith owned one-third of all the timber in the United States. How near was he to the truth when he made that statement?

Mr. WALKER. Well, the Government owns 168,000,000 acres of land—of forest land. It is claimed that Mr. Weyerhaeuser owns a million and a half acres. I am not stating what the actual figures are, but simply what it is said he owns. Put it altogether, there would be perhaps two and a half million acres of land owned by the gentlemen you have named. That statement is in line with the misrepresentation with reference to lumber and the large operators in this country that have been made generally. The Government has 168,000,000 acres of land in the forest reserves; and individual owners, a large amount of it held in a multitude of bonds—from those who own a

section or half-section or quarter-section up to large holdings that will aggregate 250,000,000 acres—more of timber in their hands. Putting that with the timber land owned by the Government, that would make more than 400,000,000 acres. Perhaps I have not included the South in that. But say that those figures are somewhere near right for the western timber. If it is two and a half million acres of land owned by the three men named, that would be less than one-half per cent in place of one-third of all the timber land. Now, is not that a very reliable witness to make such a statement?

Mr. FORDNEY. All there is in such a statement as that is to prejudice the masses of people against the man in that business.

Mr. WALKER. Yes; that is the long and short of it.

Mr. FORDNEY. That is all it is made for, and that is all there is to it?

Mr. WALKER. Yes, sir.

Mr. FORDNEY. In your opinion, is the average lumberman a more dishonest person than the average citizen?

The CHAIRMAN. Oh, we do not want to go into that.

Mr. FORDNEY. I want to say that on account of various land frauds that have been investigated by the Government the impression has gone out that the average lumberman is a thief.

Mr. WALKER. Please let him go ahead, Mr. Chairman, I am pretty well acquainted with all classes of men. I know of no one class of men that are more honorable, straightforward, and more to be trusted, or more reliable, than the lumbermen.

The CHAIRMAN. Excuse us, but we do not want to hear any more about Mr. Weyerhaeuser. I do not want to hear anything about Mr. Weyerhaeuser. We have tried him and acquitted him. Don't say anything else about him. The committee can protect itself.

Mr. WALKER. I beg your pardon if I have transgressed your rules.

Mr. FORDNEY. I think I stirred up the hornet's nest.

The CHAIRMAN. This is not a proper place to try an indictment against a citizen of the United States. It has no bearing upon the questions that we are considering here.

Mr. FORDNEY. We are talking about lumber and the character of of the men engaged in that business, and so perhaps it is proper to refer to what we have referred to—

The CHAIRMAN. Whether a man is honest or dishonest a man is entitled to his property, so far as we have any jurisdiction.

Mr. WALKER. A statement was made here to-day of the most extravagant kind and I thought I had a right to refer to it.

The CHAIRMAN. And I have asked you to produce your pay roll for the month of May for a number of years. Would that be a fair sample month in regard to what you paid your labor?

Mr. WALKER. Yes, sir; I think it would.

The CHAIRMAN. Then please give us those.

Mr. WALKER. We run our mills all the year.

The CHAIRMAN. We would like those for the month of May. That is all.

(Mr. Walker submitted the following brief:)

THE TARIFF AS RELATED TO THE CONSERVATION OF OUR FORESTS.

By tracing the history and the methods pursued by our Government in handling and disposing of our forests, and particularly as it is related to or is responsible for the wasting and denuding our timber supplies, may be made most useful in determining the future policy for the conservation of the remainder of the forests.

Up to the present time there has been cut and utilized in a very wasteful manner perhaps 35 per cent of our pine forests, 15 per cent, more or less, wasted without being utilized, leaving, in round numbers, a possible 50 per cent for future use and waste.

There has been something like 25 per cent of our hard-wood forests utilized in a very rough, wasteful manner, 55 per cent entirely wasted, and, in round numbers, 20 per cent remaining.

The policy of our Government in handling and disposing of our pine forests constituted the most important factor in the rapid denuding of so much of the forest lands; in fact, has been the principal cause responsible for it.

This land policy of the Government had for its principal object to distribute among the people the difference between the government price and the competitive value as the fundamental idea, and, secondly, to keep the timber from being consolidated and held in large bodies—from an apprehended monopoly of the production of lumber by the men who were the appropriate agents to produce it, as the farmers were to raise the crops. This necessarily made logging more expensive and made the cost of stumpage or the raw material several hundred per cent higher than if purchased from the United States at the same price at which it was originally sold by the Government or given away under the homestead law.

The custom prevailing from the early times until recent years to allow the frontier timbermen and settlers to enter upon and cut and remove all the pine timber they chose to take—under which they cut only a portion of the best trees, took out a few of the best logs, and left the balance to burn, blow down, and decay—was also a wasteful policy.

The extension of the public surveys more rapidly than the necessary supply of timber for logs demanded was seemingly done for the purpose of overstocking the timber market to keep down prices. The lumbermen could not secure timber to stock their mills without purchasing from many entrymen. As there were many purchasers, it became practically impossible to get together larger consolidated tracts.

There were stringent provisions in all the laws relating or applying to timber lands making it a criminal offense for the entryman to agree to sell his land after the title was completed.

The timber-land sales of the remnants of the poorer scattered pine were made in 40-acre tracts to the highest bidder, under provisions of law that made it a criminal offense for any two or more to agree to avoid bidding against one another with the purpose of trying to consolidate and make logging and driving cheaper.

These legal restrictions and selling it in small subdivisions were but a continuance of the narrow policy for prohibiting large consolidated holdings, so that monopoly or large controlling interests could not be performed by which higher prices could be maintained. This

conclusion, which has prevailed from a lack of understanding of actual facts and conditions, was the same as for the misapprehension that free trade will conserve and extend the life of our remaining forests. The persistent policy that compelled the manufacturer to secure his stock of timber through the hands of entrymen who made them pay three, four, five times or more per acre than the price received by the Government necessarily compelled the manufacturer to make every effort to get a sufficiently higher price to cover the extra cost of the timber. Also, the policy of scattering the holdings by selling them in small pieces, to prevent consolidation and large holdings, made logging more expensive and resulted in loss to lumber men or the consumer, but in no possible profit or advantage to the public.

These laws and the ideas on which they were based were upon the presumption that those who were employed in furnishing the next most essential to the food supply were for some unknowable reason to be looked upon with prejudice and discrimination. The miner or prospector or speculator could take up as many claims as he chose under the mining laws, hire outright any one or many persons to take up lands for their benefit, to advance money and obligate to purchase upon entry or completion of title. These provisions of the mining laws granted and approved were made criminal offenses when used in securing timber for a more legitimate purpose and a more necessary commodity for supplying the public needs.

The Canadian government gave their lumbermen large consolidated timber limits which, with lower wages, made less stumpage rates, no carrying charges of either taxes or interest, gave them an advantage of more than double the amount of the present tariff until recent years, and which still does and will continue as to the western forests to nearly the same extent for lumber delivered in our markets along the coast.

If a \$4 per thousand tariff had existed all the past years in place of the no tariff most of the time, and the \$1 and the \$2 tariff of more recent time, the Canadian could have paid it with a margin in his favor.

These facts and conditions taken together have depressed and demoralized the lumber trade in the United States to that extent that it has lead to the rapid exhaustion of our pine forests to a much greater extent than would have come from a more conservative policy. The timber has been cut and manufactured in a most wasteful manner. The lumberman saw no way to avoid it and sustain his business with any profit. Timber was wasted in the woods and left to burn, blow down, and decay. Thick saws and heavy slabs, low-grade and short lumber consigned to the wood piles and burners for more or less of the better grade, and larger amounts of poorer grades and short lengths.

To economize and enlarge the quantity produced was to add so much to the already overstocked market with result in lower prices sufficient to cover on the whole stock more than the profits on the extra amount saved.

The heavy local taxations on timber lands and the added tax on logs cut from the same land and which constituted at least a partial double taxation, together with the tax on the mills, yards, lumber, and all personal property and realty used in the logging, milling, and marketing, when added to the interest on the investments in

timber and mill plants, rendered it absolutely necessary to cut, remove, and denude the land as rapidly as it could be done without so overstocking the already overstocked market that it would bring prices nearer to or below the cost of production.

If the Government had retained the title to the land and sold the timber or logs only, sold in tracts large enough to have made economical logging and driving, required close cutting and no wasting in the woods, and charged a high stumpage price, and provided for reforestation with the smaller growth of timber and for new planting, and made this practical by a tariff such as other industries receive, our forests would have become a source of wealth measured by tens of thousands of millions for an inheritance of future generations. It would also eliminate the question of taxation and interest charges.

The overstocked market led to low prices, which led to overconsumption by all consumers and users. Upper grades were used for lower-grade purposes. Thick lumber was demanded and used when thinner lumber would have served as good or better purpose. In taking down structures or boxes the lumber was destroyed. Cross-ties and other timber on the ground were not preserved by treatment and left to rapidly decay. The consumption ran up to over 500 feet per capita in the annually reported cut and to more than 600 of the actual cut as against not more than 30 feet or 5 per cent of the consumption per capita used in Europe.

While this extraordinary consumption or waste furnished a market for the more than equally wasteful supply and overproduction, it was one of the two methods of rapid forest destruction.

A strong public sentiment against the lumber manufacturers has extended for many years, which was in large part without material, a sufficient or actual foundation; but which, when added to the charges of vandalism for wasting the forests, for which they were not primarily responsible, has more than from any other cause become the sentiment against tariff on lumber comparable to those given in other industries, or as also for the demanded repeal of the comparatively small duty that now exists.

That the removal of our duty will to a still greater extent make a dumping ground of our market there is no doubt. For every million dollars' worth of lumber shipped in we will have to pay a million in gold without any revenue in return, as we get now.

That there will be a much greater amount imported in the near future, and that will reduce the price of lumber a fraction and call for an equally large payment in gold to pay for the lumber imported, and also reduce the payment of duty on what they would ship in under a retained or enlarged duty.

That a repeal of duty will not conserve our forests or tend toward reforestation it is as certain as death or taxes. A continued overstocking will not tend to preserve holdings any more in the future than it has in the past, and as to the past there is no doubt. There will be as much lumber produced and a greater overstocking from the pressure to sell, and this will continue to waste the supply in the future as it has in the past. Any saving in price to the public will tend to reduce the price of other commodities as well as salaries and profits. If this comparatively small tariff is repealed it will be the only unprotected industry excepting raw cotton, which needs it the least and which cares the least for it. If the present tariff is left

standing it will be the smallest rate of any and all others, and is, from the competition which it has, the most entitled to the same protection given to other industries.

The lumber industry represents the largest primary manufacturing interest; it employs more men; it involves great amounts of capital; it comes next to the food supply as a necessary essential for human life and comfort. Those engaged in it represent a most industrious and reputable class of citizens. They ask no special favors or advantages. They only claim the same rights for fair treatment accorded to those engaged in other occupations. This has not been accorded them. The present small tariff of 12 per cent, or \$2 per thousand, is less than half of that on any other manufactured or agricultural product, and only one-quarter to one-third of that on most other products, and a still less on many others.

The competitions which it has to meet are the most immediate and direct and with more advantages over lumber than any other industry has to contend with.

There has been more practical and direct failures in the tens of thousands of milling plants in the past than have come to any other industry. The advantages to the public of lower prices, oversupply, and overconsumption of lumber has been at a too heavy discount of the future than to offset the advantages gained. It has been more against the producer than in favor of the consumer. Although prices have advanced under or since the Dingley tariff with the general advances in other commodities, yet not as much nor to that extent that it has to any extent paralyzed building operations.

Under the Dingley bill the small tariff given to lumber and the general prosperity that came from the protection schedules on all other manufactures and productions raised the price of lumber, but not as high in proportion as other commodities. It led to more economical logging and manufacturing larger overrun of lumber and less wasting of lower grades and short lumber.

This use, however, did not, as claimed, paralyze or limit building operations. The greater profits and net incomes from other occupations more than balanced the rise in lumber, as shown by the following facts: The building statistics for the 21 largest cities show that 241 millions of permits for 1901, when mill-run lumber was \$14.30 per thousand. In 1906 the building permits increased to 556 millions, or 130 per cent, and the price of lumber increased to \$20.43, or 43 per cent. The per capita of lumber consumed continued the same, but used more of the lower grades. Those engaged in other occupations in general could purchase more lumber with the advance in their profits and earnings than they could before the rise in prices. A bushel of wheat or corn, a ton of steel, or any given amount of manufactured articles would purchase more lumber, notwithstanding the considerable rise in prices, which was more than equaled by the rise in other commodities.

The repeal of the tariff will not lessen, but increase, the timber waste. It will accelerate the denuding of the Canadian forests as well as our own. It will continue the overstocking of the timber market and the overconsumption to an extent in the aggregate of as much as the increased amount from Canada. It will increase the imports, so as to take out of the country many more millions than

the present heavy sum of over forty millions, and will cut off a revenue of nearly two millions more paid as tariff charges.

Respectfully submitted.

T. B. WALKER.

T. B. WALKER SUBMITS A PAY ROLL OF THE RED RIVER LUMBER COMPANY, MINNEAPOLIS, MINN.

WASHINGTON, D. C., *December 16, 1908.*

Hon. S. E. PAYNE,

Chairman Committee on Ways and Means,

Washington, D. C.

MY DEAR SIR: The inclosed pay-roll list of wage rates I trust will cover the point you had in mind when you asked me to furnish it. It gives the rates for the year 1895—before the present tariff law was enacted—and the rates from 1899 to 1908, inclusive.

You will see that between 1895 and 1907 common-labor wages rose from \$1.30 to \$2 per day, or over 53 per cent. All labor advanced over 42 per cent. But the day labor is much the larger percentage of the total wage bill. This pay-roll list covers as nearly as possible what I think you have had in mind. Of course the whole pay roll of a thousand or twelve hundred men could not be sent.

This list, showing the large rise in wages, answers the question of Mr. Clark as to the lumbermen receiving as a present the entire increase in the price of lumber under the tariff.

It can be shown that the profit or net gain in holding timber as a mill supply is not as great as would result from investments in city property or good farm lands. The timber brings in no income until cut and is heavily taxed, and this, added to the interest on the investment, makes the net profit in the long run in favor of city or farm property.

Very truly, yours,

T. B. WALKER.

EXHIBIT A.

Labor pay-roll rates, 1895 to 1908, inclusive, Red River Lumber Company, Minneapolis, Minn.

	May, 1895.	May, 1899.	May, 1900.	May, 1901.	May, 1902.	May, 1903.	May, 1904.	May, 1905.	May, 1906.	May, 1907.	May, 1908.
Common labor-----	\$1.30	\$1.50	\$1.65	\$1.75	\$1.75	\$1.75	\$1.75	\$1.75	\$1.75	\$2.00	\$1.75
Engineer-----	2.30	2.75	2.75	3.00	3.00	3.00	3.00	3.00	3.00	3.50	3.50
Millwright-----	2.50	2.50	2.50	2.75	3.00	3.00	3.00	2.75	3.00	3.00	2.75
Filers-----	6.00	6.50	8.00	10.00	10.00	10.00	10.00	10.00	10.50	10.50	10.00
Sawyers-----	5.00	5.50	5.50	6.00	6.00	6.50	6.00	6.00	7.00	7.00	7.00
Setters-----	2.25	2.50	2.75	3.00	3.00	3.50	3.00	3.00	3.00	3.00	2.75
Edge men-----	2.50	2.75	2.75	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.75
Trimmers-----	2.25	2.25	2.25	2.25	2.25	2.50	2.50	2.50	2.50	2.50	2.25
Sort shed grader-----	1.80	1.85	1.85	2.50	2.50	2.50	3.00	2.50	2.50	2.50	2.25
Sort shed common labor-----	1.30	1.50	1.65	1.75	1.75	2.00	2.00	2.00	2.00	2.00	1.75
Total-----	27.20	29.60	31.15	36.00	36.75	37.75	37.25	36.50	38.25	39.00	36.75

**W. B. MERSHON, SAGINAW, MICH., THINKS THAT THE DUTY
SHOULD BE REMOVED FROM WHITE PINE.**

SAGINAW, MICH., *November 16, 1908.*

Hon. S. E. PAYNE,

Chairman Ways and Means Committee, Washington, D. C.

DEAR SIR: This week I believe you are to consider the lumber schedule, and so as briefly as possible I wish to suggest the advisability of removing the duty from white-pine lumber imported in the rough. It is now \$2 per thousand. My reason for this is this:

For many years I was at the head of W. B. Mershon & Co., of Saginaw, later changed to Mershon, Schuette, Parker & Co., the largest manipulators and handlers of white-pine lumber in Michigan, and producing more manufactured products of white-pine lumber than probably any other firm in the country. This concern has employed as high as 1,200 men, but the business is lessened now, and greatly lessened, so probably not over one-third that number is at present employed.

I am also vice-president and one-quarter owner of Mershon-Bacon Company, at Bay City, Mich., owning a planing mill and box factory.

In the early days the Saginaw River produced all of the lumber required, but with the cutting of our Michigan timber we were compelled to go farther for raw material, and did obtain it for a few years from ports along the south shore of Lake Superior, going as far as Duluth, but many of these mills have become dismantled, for the pine has been cut and the supply found at Duluth is very meager. We then looked to the Georgian Bay district of Canada for our raw material and obtained it in satisfactory quantity, but not of the best quality, for a number of years. For the last few years it has been very difficult to get a supply, because Canada has been prospering, using a pile of lumber itself, and Canadian buyers are sharp competitors of ours when we are trying to obtain a supply of lumber from one of the sawmills in the Georgian Bay district. Again, the Canadians have built up a big export trade by reason of their ability to use unsuitable parts of this log-run white pine (and in speaking of lumber I always mean white pine) in their local trade. When we enter into competition with these Canadian buyers we are handicapped by having to pay our own Government \$2 per thousand for the privilege of bringing raw material to the Saginaw Valley to manufacture, to keep our plant and capital employed and to give employment to American labor. The result is that many lots of lumber, if we were not thus handicapped, would be obtained by us, and not only our factories kept busy, but our business increased the same way theirs has. If the rate of growth and prosperity keeps on in Canada, in a few years all of that Canadian lumber will be demanded at home, and kept there unless we can get it without paying a tax to our own Government.

A large number of the mills, in fact nearly all of them that are doing business and owning timber limits in Canada in the Georgian Bay district, are owned or controlled by Americans, so that on an even basis of price we might have the preference in buying over the Canadian competitor.

Our freight rate from Georgian Bay mills to the Saginaw Valley runs from \$1.50 to \$1.75 per thousand on rough lumber and our freight rate to New York seaboard in the shipment of the manufactured product by rail is just about the same per thousand feet as that of the western Ontario district. In fact, Toronto manufacturers can ship via Montreal or via St. Johns, New Brunswick, at a lower freight rate for export than we can from here. The establishment of a bonded lumber yard is not practicable for us. We have tried it, and it is a failure, for the percentage of log-run lumber that is suitable for export is so small.

The rebate or drawback on the manufactured article worked fairly well, but we never got as much back as we paid out for duty on the exported manufactured article, owing to the red tape employed by the department and the method of figuring waste, etc., which is always against the American manufacturer and the length of time it takes to collect the drawback, the expense of hiring lawyers or agents to get it for us and all that makes it not worth the powder.

Mershon, Schuette, Parker & Co. are large manufacturers of packing boxes, and these necessarily must be cheap and low priced, for they are used but once and destroyed. The increased cost of white pine, when you figure it must be obtained in Canada, and then our Government must be paid \$2 per thousand for the privilege of bringing it here and making it into boxes to be consumed by manufacturers in our own country, is rapidly destroying that industry.

So here is a case where the duty can be removed from raw material without affecting in any way the price of white-pine lumber at home, but it would be the means of increasing the supply of raw material that is available for the employment of American capital and American labor. We ought to be in a position where we can get this lumber to use here in the United States and keep it away from the Canadian manufacturer. Put us on an even basis in our competition in buying, and for many years yet we will be able to prevent the Canadian manufacturer from expanding and increasing his business at our expense.

Speaking of "manufacturing lumber," please understand it relates to taking the rough-sawn boards and manufacturing into flooring, siding, molding, window frames, doors, mantels, and a thousand and one other articles of manufacture, and is not to be confused with the manufacture of logs into lumber. That is the work of the sawmill in Canada and ours is the work of the planing mill, box factory, etc., in the United States.

Yours, truly,

W. B. MERSHON.

**BRIEF IN BEHALF OF THE SOUTHERN YELLOW-PINE AND
CYPRESS MANUFACTURERS, SUBMITTED BY GEORGE K. SMITH,
OF ST LOUIS, MO.**

WEDNESDAY, *November 25, 1908.*

The statements made by J. B. White, of Kansas City, J. A. Freeman, of St. Louis, J. A. Brown, of Chadburn, N. C., H. H. Tift, of Tifton, Ga., Edward Hines, of Chicago (in part), and C. W. Good-year, of Buffalo (in part), in the hearing of November 20, 1908,

bear directly upon the effect on the southern yellow-pine lumber industry if the tariff on lumber is reduced or removed. It is the purpose of this brief to submit facts and figures relative to southern yellow pine and cypress lumber which were not cited by them, in a manner which, it is hoped, added to their statements and those of others heard, will aid the committee in reaching a conclusion favorable to the retention of the present duty on lumber.

The points covered will be as follows: Total production of yellow-pine lumber; small per cent of output represented in manufacturers' associations; number of employees; scale of wages; grades of lumber produced; problem of marketing the low grades; reasons why manufacturing is continued under unfavorable conditions; loss of tonnage to railroads and American ships if low grades are not marketed; problems confronting cypress manufacturers similar to those of yellow pine.

Yellow-pine lumber during 1907, according to figures issued by the Government November 18, 1908, comprised one-third of the commercial lumber produced in the United States, the amount being 13,215,185 feet b. m., but by 8,384 mills located in the States on the Atlantic and Gulf from Virginia to Texas, and including Arkansas and Missouri. There are three associations of manufacturers of yellow-pine lumber in this territory: The North Carolina Pine Association, with 107 mills with an annual production of 752,000,000; the Georgia-Florida Sawmill Association, with 87 mills with an annual production of 800,000,000; and the Yellow Pine Manufacturers' Association, with 306 mills with an annual production of 3,840,000,000, making 601 mills out of 8,384, and 5,396,000,000 annual output out of 13,215,000,000, thus proving the impossibility of a trust or combination to control the price or the output of yellow pine. The total production is detailed as follows:

	Mills.	Thousand feet.
Virginia.....	956	869,935
North Carolina.....	1,427	1,146,383
South Carolina.....	352	606,976
Georgia.....	737	755,152
Florida.....	235	761,890
Alabama.....	821	1,116,784
Mississippi.....	659	1,692,195
Louisiana.....	408	2,345,012
Texas.....	614	2,197,233
Arkansas.....	634	1,249,133
Missouri.....	227	119,164
Other States.....	1,264	254,423
Total.....	8,384	13,215,185

The number of employees directly engaged in the manufacture of yellow pine is estimated at 300,000 men, who with their families make up approximately 1,500,000 persons whose purchasing and consuming power depend upon the activity and profitable continuance of manufacturing operations. As about 70 per cent of the cost of producing lumber is made up of the wages paid employees and the supplies purchased from farmers for feeding teams in logging camps, anything which affects the selling price of lumber unfavorably must necessarily react upon the employees and the farmers who supply the commissaries of the firms producing lumber.

The product of the yellow-pine mills may be divided into three distinct parts: Twenty-two per cent uppers, 33 per cent No. 1 common, and 45 per cent No. 2, No. 3, and No. 4 common, when the top logs are brought in from the woods. It costs on an average to produce this \$12 to \$13 per thousand feet, which includes an allowance of \$3 per thousand for stumpage. Where stumpage valued at \$4 per thousand is sawed the cost is \$1 higher.

SCALE OF WAGES.

The scale of wages paid at the present time in southern sawmills, including both white and colored labor, is shown in the following list:

Foremen	\$5.00-\$7.00
Millwrights	3.00- 3.75
Engineers	2.25- 3.00
Sawyers	6.00- 7.00
Filers	5.00- 7.00
Block setters	2.75
Doggers	1.75
Offbearers	1.75
Cant liners	1.75
Edger men	2.50- 3.00
Tailing edger	1.75
Trimmer men	1.75- 2.50
Scalers	1.75- 2.50
Graders	1.75- 2.50
Extra men	1.50- 2.00
Lumber stackers	1.35- 1.75
Lumber truckers	1.35- 1.50
Mule drivers	1.35- 1.75

This scale of wages is from 10 to 15 per cent lower than during 1907, when the extraordinary demand for labor sent wages to the highest point ever reached in the South. In 1897 common white labor in many localities received from 90 cents to \$1 per day. The same class of labor to-day is receiving from \$1.50 to \$1.75 per day. The percentage of increase in wages since 1897 caused an increase in the cost of manufacturing lumber and is fully as great as the per cent of increase in the selling price. With the high cost of everything purchased from the farmers it is difficult to figure out how common labor can stand a reduction and make both ends meet, but if it become necessary to reduce the cost of manufacture to meet Canadian and Mexican competition in low-grade lumber admitted at a reduced duty or entirely free, labor, which composes 70 per cent of the cost, will be called upon to bear a large part of the reduction.

Large tracts of timber in Mexico, within 50 miles of El Paso, Tex., have been offered to Americans at 30 cents per thousand within the past thirty days. If manufactured into lumber, the work will be done by peons at from 25 to 50 cents daily wage.

The problem facing all manufacturers of southern yellow-pine lumber is the selling of the 45 per cent of low grade at or above cost of manufacture. When the price of lumber is low, as it has been during 1908, owing to the great decrease in demand following the panic of October, 1907, it is not possible to get cost out of the 45 per cent of low grades, and consequently 25 per cent of the timber is left in the woods to rot and burn. The mills in the entire yellow-

pine producing territory were compelled to adopt this policy if they were to keep their plants in operation and labor employed.

A question may arise in the minds of the committee why the manufacturers of yellow pine, under such conditions, do not close down their plants and await more favorable opportunity for marketing their product. The reasons why they do not take such action are threefold: First, many have bonds and other obligations falling due at regular periods, which must be met from the proceeds of their sales of lumber; second, those who have no obligations to meet, but are without a surplus account, must meet their steadily increasing taxes on plant and standing timber from a partial liquidation of assets; third, those who are not pressed by any financial necessities, but who feel a moral obligation toward faithful employees, the majority of whom are heads of families, who would be compelled to seek employment at other mills, where conditions were unfavorable to increase in numbers employed. This condition prevailed at many plants in the South one year ago, and mills were kept in operation when the owners did not know when or where they could secure money for pay rolls, when it was positively known that cost of stumpage and labor would not be realized from the manufacturing operation, in order to carry the employees through the winter and hold the well-organized crews until a revival of demand for lumber. Many mills were closed down and the crews disbanded for ten months, but conditions prevailing during the past three months have been such that some of these have started again, but at present prices are leaving low-grade logs to rot in the woods, and if their present percentage of low-grade lumber should fail to find a market, no doubt these mills would again adopt the policy of discharging their men and ceasing operations.

The removal of the \$2 duty on lumber will, it is believed, permit large quantities of low-grade Canadian lumber to enter the United States now, and from Mexico later, in competition with the low grades of American lumber and restrict the demand for the low grades of southern yellow pine, and unless sold at a loss they will either rot in the piles after being manufactured or all logs producing a large per cent of low-grade lumber will be left in the woods. The manufacturers, under these changed conditions, would cut as many trees as when prices were better, but would not utilize more than 65 to 75 per cent of the available contents of the log, thus causing great waste, thereby failing in the conservation of our forests to the exact extent in which our low grades are supplanted by Canadian or Mexican substitutes. This waste means also a heavy reduction in the tonnage of the southern railroads, who, when prices permit the manufacture of the entire tree, haul the low grades at the same rate of freight as the better grades and increase their revenues materially, as lumber forms such a large percentage of their tonnage. It also means less cargoes for the American ships carrying lumber from Norfolk, Va.; Wilmington, N. C.; Charleston, S. C.; Savannah and Brunswick, Ga.; and Jacksonville and Fernandina, Fla., to eastern and New England States. This coastwise trade is of considerable volume, annually amounting to nearly, if not fully, 1,000,000,000 feet, and 50 per cent of this would probably be cut off, as that per cent is composed of the grades which would suffer from the competition of Canadian lumber.

The manufacturers of cypress lumber and shingles in Louisiana and Georgia would be affected in the same proportion as the manufacturers of southern yellow pine and those represented in the Southern Cypress Manufacturers' Association, comprising an annual production of 500,000,000 feet, register themselves here as in favor of the retention of the present duty on lumber.

**IONIA (MICH.) CITIZENS CLAIM THAT FREE LUMBER WILL
CLOSE MANY AMERICAN SAWMILLS.**

IONIA, MICH., *November 16, 1908.*

HON. J. W. FORDNEY, M. C.,
Ways and Means Committee.

SIR: We protest against the threatened removal or reduction of the tariff on lumber. We consent to leaving logs and pulp wood on the free list, as that encourages the importation of free raw material for the benefit of American manufacturers and the employment of American labor at home.

Free lumber would, in our opinion, close many American sawmills and move the lumber industry across the border into the Vancouver country, where timber lands are taxed only nominally and average stumpage values are less than one-fourth of those in the great Oregon, California, Washington, and Idaho timber sections.

Free lumber would justify the abandonment of the entire protective principle, and we protest against it as unrepugnant and a deadly assault upon one of America's greatest manufacturing industries.

OTIS FULLER, *Warden Michigan State Reformatory.*

H. B. WEBBER, *President National Bank of Ionia, Mich.*

W. B. HEATH, *Delegate Republican National Convention.*

F. B. PRESTON, *Vice-President State Savings Bank.*

K. R. SMITH, *Postmaster Ionia, Mich.*

O. S. TOWER, *President State Savings Bank, Ionia.*

**RESIDENTS OF ST. JOHNS, MICH., PROTEST AGAINST THE RE-
MOVAL OR REDUCTION OF DUTY ON LUMBER.**

ST. JOHNS, MICH., *November 16, 1908.*

HON. J. W. FORDNEY, M. C.,
Ways and Means Committee.

SIR: We protest against the threatened removal or reduction of the tariff on lumber. We consent to leaving logs and pulp wood on the free list, as that encourages the importation of free raw material for the benefit of American manufacturers and the employment of American labor at home.

Free lumber would, in our opinion, close many American sawmills and move the lumber industry across the border into Vancouver County, where timber lands are taxed only nominally and average stumpage values are less than one-fourth of those in the great Oregon, California, Washington, and Idaho timber sections.

Free lumber would justify the abandonment of the entire protective principle, and we protest against it as unrepugnant and a deadly assault upon one of America's greatest manufacturing industries.

C. C. VAUGHAN,
Chairman Republican County Committee.
WILLIAM M. SMITH.
JOHN T. HICKS.
R. G. ALLISON.

SUPPLEMENTAL STATEMENT OF THEODORE M. KNAPPEN, MINNEAPOLIS, FAVORING REPEAL OF DUTIES ON LUMBER.

MINNEAPOLIS, MINN., *December 1, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: I desire to submit herewith some further considerations relating to the repeal of the tariff on forest products, consisting in part of a discussion of some of the testimony adduced before your committee on this subject on November 20, 1908, and also some additional data as to labor cost in the United States and Canada, lumber prices, relative cost of production, letters bearing on these matters, a concise brief by Mr. A. R. Rogers illuminating certain testimony, and a most interesting and instructive discussion of the subject by Mr. W. S. Dwinnell, of Minneapolis, a member of the National Forest Conservation League, and an extensive timber owner himself, who has followed with much interest the testimony presented to your committee in regard to the lumber tariff.

After hearing all that has been said on both sides of this discussion we are more than ever convinced that the tariff on all forms of lumber in the unmanufactured states, the like of which are produced in the United States, should be repealed. The high-grade cabinet and finishing lumber and veneers derived from forms of timber not produced in the United States may be regarded as luxuries, but all forms of wood of kinds produced in the United States are necessities, and their relief from tariff restrictions is imperative in the interests of the well-being of our people.

A consideration to which but little attention was paid in the hearing on November 20 was the general effect of the repeal of the lumber tariff on general trade relations with Canada. The great country to the north of us, notwithstanding annoying tariff restrictions on both sides of the international line, is per capita of population the best patron the United States has. Of late years, however, there has been a tendency on the part of the Canadians to reduce this patronage by means of tariff legislation. Rightly or wrongly, the Canadians feel that the United States has not treated them in a brotherly way in trade and tariff relations, and they especially resented the imposition of the \$2 tariff on lumber in 1897. A repeal of the lumber tariff at this time by extending the market of a great Canadian industry might lead to concessions by Canada to the United States and would in any event tend to stay the rising tide of feeling in Canada in favor of tariff discrimination against the United States. This consideration becomes especially important when we find that the concession

so much prized by Canada would be in the general interest of our own people without real injury to any element thereof, which we believe to be the case.

The interests of our own people demand the repeal of the tariff on lumber and kindred products because it would give us—

I. Cheaper lumber, thus benefiting the American manufacturer and consumer, and

II. By reducing the drain on our forests, tend to the prolongation of our domestic timber supply and give us needed supplies of timber during the interval, necessarily long, that must elapse between the disappearance of the present style of lumbering and the general introduction of the new kind that means forest conservation.

It is absurd and unjust to tax our people on an article the domestic supply of which is constantly and rapidly diminishing.

The raising of timber is not an industry in the United States. The hand of man is not involved. The timber we have is the gift of nature. No one has toiled over it as the farmer toils over his crops. It is natural wealth, it is not manufactured, and there is no reason why its mere ownership should be protected.

The testimony on the subject of forest supplies leaves little doubt that the passing of a generation will see our commercial forests practically exhausted, but long before the forests have completely passed away the blight of their decadence will be upon the land. Nothing that we can now do will enable us to escape all suffering on this account. If every timber owner in the country were to immediately turn to scientific lumbering, there would still be a considerable interval of time in which the timber supplies would be insufficient. How absolutely necessary, then, it is that we shorten this period and reduce its ill effects as much as possible by opening to ourselves the forest supplies of other countries.

To follow any other course is not statesmanship or good national economy, for any other course means the unnecessary and evil taxation of our people, with the practical effect of stimulating the destruction of our forests with the funds wrung from a wrongly taxed people.

Lumber tariff not merely \$2 a thousand.

Throughout the hearing on the lumber schedule almost no attention was paid to anything except the minimum lumber tariff, which, outside whitewood, sycamore, and basswood, is \$2 per thousand. The much higher duty on finished or partly finished lumber was largely ignored. The tariff law provides that lumber planed on one side shall pay a duty of \$2.50 a thousand; planed on two sides, \$3 per thousand; planed on both sides and grooved and tongued, \$3.50 per thousand. This finished lumber is the kind that goes very largely to the ultimate consumer. A large percentage of common lumber goes into boxes, and it is hard to determine just how much the tariff of \$2 a thousand on common lumber affects the ultimate consumer. But unquestionably for the benefit of the actual individual user of lumber it is necessary that the tariff on finished lumber be repealed altogether. No witness at the hearing had the temerity to say that American mills could not compete with Canadian mills in any market of the world in the higher grades of lumber. Why, then, should a much higher tariff be levied on finished lumber than on rough? If the tariff on lumber is not entirely removed, this discriminating tax

should not be left. If finished lumber must be taxed, let it pay a reduced fixed rate of so much a thousand and not an increasing rate for each additional touch that makes it the more ready for use by our home builders. I suppose the theory of a higher duty on the finished product was that it would lead to the finishing of imported lumber at American mills, but the result has shown that there was nothing to justify this theory.

Here, too, the interests of the American manufacturer, as well as the interests of the consumer demand attention. The finished lumber is the raw material of the millworker. American sash and door manufacturers and millworkers can compete anywhere. They can ship their product to Canada and undersell the Canadians at home. Let them have their raw material as cheap as possible. On the other hand they do not require protection in the finished product of their shops for the obvious reason that the foreigner can not compete with them at home, much less here.

To illustrate the wisdom of repealing the tariff on the higher grades of lumber let us consider one or two lumber bills. A retail lumberman has furnished me with a bill of lumber for a church in North Dakota. The common lumber in this church cost \$600 and the finishing lumber \$1,100. In a house at Minot, N. Dak., the common lumber cost \$400 and the finishing lumber \$450. The tariff element in the cost of the church was probably \$255, and in the cost of the house \$142.50 (figuring it at 15 per cent ad valorem), and in each case the larger portion was for finished lumber. But these figures also show that the man who builds a house is interested in the repeal as well of the tariff on common lumber, even if the man who buys a packing box as an auxiliary to a purchase of some packed article is not interested.

The "low-grade" bogey.

Great stress was laid by witnesses in favor of the present or a higher tariff on lumber, on their fear of Canadian competition in the low grades of lumber. Now as to the mills in the West—i. e., in British Columbia, Alberta, and Saskatchewan—the low-grade problem does not exist at all so far as the interior market is concerned. What low-grade lumber may be produced in British Columbia can not be shipped into the interior of the United States because of the cost of transportation. Like their fellows in Washington and Oregon, the British Columbia mills try to avoid making low-grade stuff, and what they do make they must market in the cities and mining camps of British Columbia and at the nearest consuming points in the prairie provinces. The only source of competition in low grades that really seems to trouble our lumbermen is the Georgian Bay district of Ontario. It is noticeable that the lumbermen of Minnesota, Wisconsin, and Michigan, with whose product this Georgian Bay low-grade stuff would compete, seem to be less interested in the lumber tariff than the lumbermen of any other section of the country. Only one lumberman from Minnesota appeared before your committee in favor of the retention of the lumber tariff, and his major interest is in California. No Wisconsin lumberman and no Michigan lumberman (except Mr. Fordney) appeared to testify. The one witness who really made a specialty of the competition of Georgian Bay low

grades with American low grades was Mr. E. S. Hines, of Chicago, who has immense stumpage interests in Minnesota and Wisconsin. An interesting opinion on this subject is that given by Mr. Daniel Wells, of the White Pine Lumber Company, Detroit, Mich., who writes:

There should no more be a wall between Canada and the States than there should be a wall between any two of our own States. One of the most vital causes our United States have prospered to the undreamt of extent in which we find them to-day is because absolute free trade has always existed among them. Canada is just another State which happens to be over the international boundary line.

Has the Wisconsin lumber industry suffered because the Michigan mills have been shipping lumber by the million into the best of her farming country for the last twenty years? Has the lumber industry of the North Central States been dwarfed because the lumber regions south and west derive their principal market from these States and flood it with their product? Approximately only 10 per cent of the lumber consumed in the States comes from Canada. How can 10 per cent govern the price for the other 90 per cent?

If the lumber industry is still an infant in need of coddling, where can we find a single industry in America that can compete with the foreigner?

It is noteworthy that Messrs. Hines and Walker, who appeared before your committee in the interests of protection to the lumber industry, are just now said to be engaged in forming a gigantic white pine ownership combination. They and the interests now reported to be uniting with them, as per the following newspaper reports, will probably own 5,000,000,000 of the 30,000,000,000 of white pine now standing in the Lake States, and with a few other large interests will probably own or control more than half of all the available supply of this valuable timber, which at the present rate of consumption can hardly last more than ten years. For further discussion of the details of Mr. Hines's testimony, I take pleasure in referring to the statement attached hereto of Mr. A. R. Rogers, of Minneapolis, who was also a witness before your committee on November 20.

The real question.

Brushing aside all the perplexities about railway rates, competition of low grades, etc., which are just so much technical dust thrown into the eyes of the committee, the question to be answered is simply this:

Does the committee want to protect excessive stumpage values in a vanishing, cornered, natural resource? Does the committee wish by legislation to impose an additional tax on the consumers of this white pine, which will soon be as scarce as the buffalo?

The more money there is in it, the faster the white pine will be destroyed.

The more foreign competition is kept out, the more valuable is the scant remaining domestic supply and the greater the temptation to rush it to the mills and convert its value into actual dollars.

To protect the white-pine industry is just as logical as it would be to impose a tariff on Canadian buffaloes in order to protect American buffalo hunters in their business. Nobody would maintain that such a duty would protect the buffalo, though it might help the hunter to a greater profit and hurry him to the extinction of the American herd, if there were any.

The white-pine forest is nearing its doom; a few great interests have practically cornered it. Shall they be encouraged by a bounty of \$2 a thousand to rush the work of destruction? Wouldn't it be better to let the consuming population of the lower lake region have the benefit of cheap Georgian Bay lower grades if legislation can give it to them? If our forests must go in the end anyway, before reforestation can begin, let us adopt a policy that will combine their preservation as long as possible with the good of the cheapest possible lumber supply.

White pine as a luxury.

This Wisconsin and Minnesota white pine is now so valuable as to be almost a luxury. Assured of immense profits on the manufacture of high grades, or by holding their white pine, Mr. Hines and allies naturally desire to assure themselves of profits on the low grades as well. So assured are their profits on the rear guard of the vanishing white-pine uppers that they could well afford to take some loss on their lower grades. It may well be doubted whether if lumber were placed on the free list the mills of Minnesota and Wisconsin would employ a single man less than now.

It must not be forgotten that they have immense markets for their own low grades right at their own doors. They are not natural competitors with the Georgian Bay low grades in a large part of the American territory that can draw on Georgian Bay mills. In that part of the market the duty on low grades is wholly a revenue proposition; it protects nobody. But we maintain that the forest products of this continent should be open to those regions that are geographically their natural consuming territory. If Georgian Bay can supply New York State with common boards cheaper than the Minnesota mills can do it, let them do so, and leave the interior market to Minnesota, where it has a distinct advantage. The consumer—the buyer—is entitled to some consideration.

[From the Minneapolis Journal, November 27, 1908.]

GET TOGETHER IN WHITE-PINE DEAL—WALKER AND WEYERHAUSER REPORTED TO HAVE REACHED A "BUSINESS UNDERSTANDING"—PROMOTORS OF COMBINE HAVE GONE TO COVER—TENTATIVE CONFIRMATION OF THE BIG DEAL GIVEN OUT BY WEYERHAUSER INTERESTS.

T. B. Walker, largest individual owner of standing white-pine timber in the world, is reported to-day to be heavily interested with Frederick Weyerhauser in the formation of the new \$20,000,000 lumber syndicate. This means, if correct, that after many rumored attempts to arrive at a "business understanding" Mr. Walker and Mr. Weyerhauser have at last been successful. At his office to-day it was said Mr. Walker is in Washington. That that gigantic corporation is actually in process of formation was practically admitted to-day at the Weyerhauser offices in St. Paul.

John Weyerhauser, who was in charge during the absence in Chicago of his father, Frederick Weyerhauser, refused to make any direct statement for publication, but he did say:

"If Mr. Hines has given out any statement that such a deal was in progress, he probably has reasons for doing so."

Not familiar with details.

Mr. Weyerhauser said he was not familiar with the details of the deal under way, however, but had heard something about the matter in a "general way." Mr. Mahan, confidential man of the Weyerhauser interests, was also secretive, but said it was true that Frederick Weyerhauser was in Chicago and had seen Edward Hines and also that Rudolph Weyerhauser had been there and was now on his way back to Cloquet, Minn.

Edward Hines and others directly concerned in the syndicate vanished from Chicago last night, and it was supposed they had left for the twin cities. At the Weyerhaeuser offices to-day this was denied, and it was said that Mr. Weyerhaeuser is not expected home for a week.

While figures publicly stated have fixed the combination as a \$20,000,000 affair, competing lumber interests can see no limit to its capitalization, but at the same time they expressed no fear of its attempting to restrain trade by fixing prices.

Chicago to be headquarters.

Chicago is to become the sole selling headquarters of the new lumber combination, and Edward Hines is to be president of the syndicate.

The direct business associates of the men prominently named in the venture are noncommittal, and, although friendly lumber interests are willing to take the figures of 3,000,000,000 feet, lumber measure, which means a board a foot long, a foot wide, and 1 inch thick, as the "capital stock" of the syndicate, real competitors believe the estimate is low.

However, assuming that 3,000,000,000 feet of white pine is correct, 150,000 modern houses "could" be constructed out of it; 100,000 men would have "spasmodic" annual employment in the fields, and it would require at least forty years to cut all the timber. But genuine white pine is seldom used in the construction of the modern cottage. It is too expensive, and yellow and Norway pine is commonly used, though the purchaser of the house is not always aware of the substitution.

Why combine is powerful.

Ncwadays the modern cottage made exclusively or largely of white pine can not be sold at "a couple of hundred down and balance same as rent." It's this thing that makes the new combination so powerful in the eyes of the lumber interests—far more important than can be realized by the outsider. The principal holding of the new combine is made into sash and doors, interior finishes, and other high-grade work.

The new combination not only controls the key to the white-pine situation, but it also has a large voice in the hemlock, yellow, southern, and western pine fields, Mr. Weyerhaeuser controlling the supply of Mississippi.

Cloquet, Minn., is the center of production of white pine, and the controlling elements there are Mr. Weyerhaeuser, the Northern Lumber Company, Cloquet Lumber Company, and the Johnson-Wentworth Lumber Company—which also came into the new combination with the Cooke & O'Brien people—a feature that was not stated in Wednesday's announcement.

Edward Hines a few years ago was a lumber salesman. He won confidence of Mr. Weyerhaeuser, who is said to have furnished the financial backing—or part of it, at least—for the Edward Hines Lumber Company.

[The Minneapolis Journal, November 26, 1908.]

TWENTY MILLIONS IN LUMBER POOL—SYNDICATE BEING FORCED TO TAKE OVER NORTHERN MINNESOTA PINE FORESTS—WEYERHAUSER, COOKE & O'BRIEN, AND HINES PEOPLE IN BIG PROJECT.

CHICAGO, November 25.

One of the most important lumber deals of recent years, by which a \$20,000,000 syndicate will take control of the pine forests of northern Minnesota, is near completion.

Representatives of the three big interests involved—the Weyerhaeuser Company, of Cloquet, Minn.; the Cooke & O'Brien Company, of Duluth; and the Edward Hines Lumber Company, of Chicago—met late yesterday at the Union League Club to discuss the plan by which the Hines Company, either in itself or operating through a syndicate, is to take control of the properties.

Edward Hines to-day said the plan was not in such shape that he could give out the details, but admitted that it would be put through within a day or two, and that nothing but minor matters were left to be settled.

Big interests to be pooled.

Besides Mr. Hines, at the meeting were Frederick Weyerhaeuser and his sons, John and Rudolph, and a member of the firm of Cooke & O'Brien.

The interests to be pooled are:

Lumber in Minnesota and the Province of Ontario, controlled by the Weyerhaeuser people, valued at \$8,000,000.

Lumber in Minnesota, controlled by the Cooke & O'Brien people, valued at \$11,000,000.

The Rainy Lake, Duluth and Winnipeg Railroad, controlled by Cooke & O'Brien, 200 miles long, and worth \$1,000,000.

Between \$1,000,000 and \$2,000,000 worth of lumber controlled by the Hines people.

World's biggest white-pine tract.

This constitutes 3,000,000,000 feet of lumber in white pine, Norway pine, and hemlock. It comprises the biggest tract of white pine left in the world. The timber lies in St. Louis County, the county to the east, and in Ontario. The object of the combine is said to be to obtain control of the transportation facilities so that the lumber can be handled cheaper for all concerned.

Just how the reorganization is to be brought about was not divulged. The Weyerhaeuser Company owns 45 per cent of the stock of the Hines Company.

No duty on high grades.

It has been asserted that 60 per cent of the low-grade lumber imported into this country goes into boxes, though I believe 35 per cent is the more commonly accepted figure. In any event, if the tariff be removed, one or both of two classes will be benefited—the buyer of boxes and the manufacturer of boxes. If the buyer (the consumer) gets none of the benefit of the reduction, then the manufacturer must get it. Box manufacturing is a large and important industry, and the ability to secure cheap raw material from abroad insures its prosperity, and the box manufacturer is as much entitled to consideration in his industry as the lumberman in his.

But if your committee should conclude that the repeal of the \$2 tariff, which on low grades amounts to an ad valorem duty of 25 to 40 per cent, would really result in disastrous competition to the American manufacturer of lumber, let a reduced tariff remain on low grades, but don't forget that the consensus of testimony on both sides is that on high grades the American manufacturer can compete anywhere. If some tariff is levied on low grades, the higher grades of lumber should be absolutely free from duty. Leave a duty on Nos. 4 and 5 boards, and inferior products, if you must, but let the American consumer have the full advantage of freedom of trade in the high grades, where the manufacturer confesses he does not need protection.

If it is desired to benefit the consumer in the scheme of tariff revision the duty should also be repealed on laths and shingles, which go to the ultimate consumer without any further manufacture.

Box shooks, kindling wood, clapboards, posts, and pickets should also have the duty removed if it is desired to benefit large classes of population. The farmer is a large consumer of all these products.

Cost of production—Wages—Equipment.

The lumbermen appearing before your committee in support of the present, or a higher tariff, made much of the alleged increase in the cost of production. There has been no such increase in this respect as is commonly believed, and what increase there has been has been offset by the superior efficiency of the mills in recent years, and the profitable utilization of products that were formerly wasted. The "overrun" of the log is much greater now than formerly in well-conducted mills. The pay roll of the Brooks-Scanlon Company's mill at Scanlon, Minn., which is attached hereto, may be taken as typical of the wage scales prevailing in the northern States in recent

years, and it is probable that relatively it reflects wage conditions in other parts of the country. From 1902 to 1906 there was practically no increase in the rate of wages paid in this lumber mill, though that was a period of great prosperity in the lumber trade. In 1906 eighteen classes out of forty-three classes of employees had their wages increased about 10 per cent. Five classes had their wages reduced in the same year, and in 1908 there was a reduction of about 10 per cent through almost the entire pay roll, with the result that in 1908 the outlay for labor in the Brooks-Scanlon mill was back to just about where it was in 1902. Yet in 1907 the average price of lumber was 24 per cent greater than in 1902. This pay roll demonstrates anew the truth of the old saying that wages are the last to feel the effects of prosperity and the first to feel the effects of adversity. It was not until 1906 that wages began to enjoy the good times that had been prevalent for at least eight years, but with the return of the depression in 1908 they tumbled immediately.

Scale of wages paid per day of ten hours, Brooks-Scanlon Lumber Company, Scanlon, Minn., month of May, 1902 to 1908, inclusive.

	1902.	1903.	1904.	1905.	1906.	1907.	1908.
River foreman, per month.....	\$65.00	\$65.00	\$65.00	\$65.00	\$72.00	\$72.00	\$65.00
Chief engineer, per month.....	125.00	125.00	125.00	125.00	110.00	100.00	110.00
Yard foreman, per month.....	100.00	100.00	100.00	100.00	125.00	140.00	140.00
Grader (lumber) foreman, per month.....	67.00	67.00	67.00	75.00	65.00	65.00	65.00
Platform foreman, per month.....	50.00	75.00	100.00	75.00	75.00	75.00	65.00
Planing mill foreman, per month.....	80.00	90.00	100.00	125.00	80.00	90.00	90.00
Ground foreman, per month.....	65.00	65.00	78.00	75.00	75.00	65.00	65.00
Barn foreman, per month.....	55.00	55.00	65.00	85.00	85.00	75.00	68.00
Pond and river men.....	2.20	2.25	2.25	2.25	2.25	2.50	2.00
Sawyers.....	7.05	7.00	7.00	7.00	7.00	7.00	6.00
Setters.....	3.25	3.25	2.75	2.75	3.25	3.25	3.00
Swampers.....	2.10	2.10	2.25	2.35	2.50	2.50	2.25
Deck hands.....	2.00	2.00	2.00	2.00	2.00	2.25	2.00
Floor hands.....	1.75	1.75	1.75	1.75	2.00	2.00	1.75
Edger men.....	2.85	3.00	2.75	2.75	2.85	3.10	2.85
Edging men.....	1.75	2.00	2.00	2.00	2.00	2.10	1.75
Edger and tables.....	1.75	1.75	1.75	1.75	2.00	2.25	1.75
Trimmer men.....	2.00	2.25	2.25	2.35	2.50	2.50	2.25
Hog and trimmers.....	1.75	1.75	1.75	1.75	2.00	2.00	1.75
Head slasher.....	2.00	2.15	2.15	2.15	2.25	2.50	2.15
Tail slasher.....	1.75	1.75	1.75	1.75	2.00	2.25	1.75
Sawyer resaw.....				2.50	2.50	2.75	2.35
Other resaw men.....				2.00	2.00	2.25	1.75
Oilers.....	2.25	2.25	2.25	2.25	2.25	2.25	2.00
Engineer, nights.....	3.50	3.50	3.00	3.00	3.50	3.50	3.25
Engineer, days.....	2.50	2.50	2.25	2.25	2.50	2.50	2.25
Firemen.....	2.50	2.25	2.25	2.50	2.50	2.75	2.25
Blacksmith.....	2.75	3.00	3.50	3.50	3.50	3.75	3.25
Horseshoer.....	2.75	3.00	3.00	3.00	3.25	2.75	2.50
Horseshoer helpers.....	1.75	1.75	1.75	1.75	2.50	2.25	1.75
Millwrights.....	3.00	3.00	3.00	3.10	3.25	3.35	3.35
Steam fitter.....	2.50	2.50	2.50	2.50	2.50	3.50	3.25
Watchman.....	2.00	2.00	2.00	2.25	2.00	2.25	2.00
Gang sawyer.....	4.00	4.00	4.50	5.00	3.50	4.25	4.00
Crane man.....	3.50	3.50	3.50	3.00	3.50	3.50	3.50
Cant men.....	2.10	2.10	2.10	2.10	2.10	2.35	2.35
Common labor.....	1.75	1.75	1.75	1.75	1.75	2.00	1.75
Graders.....	2.50	2.50	2.50	2.50	2.50	2.65	2.25
Scalers.....	2.25	2.25	2.25	2.25	2.25	2.35	2.00
Teamsters.....	1.95	1.95	1.95	1.95	2.00	2.00	1.85
Chain men.....	2.00	2.00	2.00	2.00	2.25	2.35	1.85
Machine men.....	2.00	2.00	2.00	2.00	2.25	2.10	2.00
Mill superintendent, per year....	1,800.00	1,800.00	2,000.00	2,000.00	2,200.00	2,400.00	2,400.00

Our average pay roll for the month of May during the period of seven years has been \$22,877.50 per month in our sawmills and lumber yards.

I have examined the above figures and hereby certify as to their correctness and accuracy.

BROOKS-SCANLON LUMBER COMPANY,
M. J. SCANLON, Vice-President.

Wages higher in Canada.

In support of our contention that wages are higher in the lumber industry in Canada than in the United States, we have collected data from nine Canadian mills, including the two testified to before your committee on November 20 by Mr. Lynch, and five United States mills, and from this data have made up a comparative table of the wages paid certain classes of employees. The detailed statements from which these averages were made will be found attached hereto, and except the figures for the Scanlon mill given above, it will be observed that in all of the classes, which were taken at random, the pay in the Canadian mills averages considerably higher, excepting in the case of firemen.

Comparative statement of wages paid per day to certain kinds of employees in sawmills in Ontario, Saskatchewan, British Columbia (mountain and coast), averaged, as compared with wages in Oregon and Washington (interior and coast) and Minnesota, averaged, five to nine mills in former class and five in latter.

	Canada.	United States.
Foreman.....	^a \$143.33	^a \$127.50
Band sawyer.....	6.19	5.20
Filer.....	7.35	6.83
Engineers (chief).....	4.25	3.79
Graders.....	2.99	2.44
Firemen.....	2.54	2.78
Millwright.....	3.99	3.56
Setter.....	3.38	3.12
Edgerman.....	3.62	3.20
Trimmer.....	2.54	2.48
Common laborers (white).....	2.30	2.05

^a Per month

Logging camp wages.

The following table gives a good illustration of comparative wages paid in logging camps in the United States and Canada. It will be observed that the wages in the Canadian camps are uniformly higher than in the American camps.

Comparative statement of wages paid per day in logging camps in Canada and the United States.

	Canada.		United States.	
	International Timber Co., Campbell River, British Columbia.	Fraser River Saw Mills (Limited), Fraser Mills, British Columbia.	Simpson Logging Co., Shelton, Wash.	Mason County Logging Co., Olympia, Wash.
Barker.....	\$2.75	\$3.00 to \$3.25	\$2.50	\$2.50
Blacksmith.....	3.00	^a 75.00	3.00	3.00
Blacksmith helper.....	2.50	2.25		
Buckers.....	3.00	3.25	2.75	2.75
Cook.....	^a 75.00	^a 75.00	^a 65.00	
Dogup man.....	2.50	3.00	2.50	2.50
Engineer.....	3.25	^a 65.00	3.00	2.50 to 3.00
Faller, head.....	3.50	4.00	3.00	3.00
Faller, second.....	3.00	3.75	2.75	2.75
Fireman.....	2.50	2.50	2.00	
Flunkey.....	^a 35.00	^a 35.00	^a 30.00	
Hooktender.....	4.00	5.00	3.75	4.00
Line horseman.....	2.50		2.25	2.25
Rigging slinger.....	3.00	3.50	2.75	2.50
Signal man.....	2.50	3.00	2.25	2.25
Skidder, head.....	3.00		3.25	
Skid roadman.....	2.25	2.25	2.00	2.00
Sniper.....	2.75	3.25	2.50	
Swamper.....	2.50 to 2.75		2.25	2.25 to 2.75
Undercutter.....	3.50		3.00	
Woodcutter, behind donkey.....		3.00	2.00	

^a Per month.

All these laborers, skilled or unskilled, in the Canadian camps, are white men. The British Columbia law forbids the employment of orientals in logging operations on timber lands leased from the province, which are by a very large percentage the bulk of the entire timber area of the province.

Equipment and production cost higher in Canada.

The testimony adduced before your committee absolutely demonstrates that the cost of equipping a sawmill in Canada is much in excess of similar work in the States. Whether the machinery be American or Canadian made, it costs more than in the United States by the amount of the tariff, at least. The only difference is that in the case of American-made machinery imported into Canada the Canadian government gets that portion of the extra cost represented by the duty, while in the case of Canadian-made machinery the Canadian manufacturer gets it. What is true of milling machinery is largely true of logging camp equipment. However, much, therefore the cost of lumbering in the United States may have increased in recent years on account of the increase in the prices of the commodities the lumberman buys, his Canadian trade brother is still worse off.

In a statement by D. N. Winton, of the Thief River Falls Lumber Company, Thief River Falls, Minn., the Prince Albert Lumber Company (Limited), Prince Albert Saskatchewan, the Bemidji Lumber Company, Bemidji, Minn., and the Northwest Lumber Company, Kalispell, Mont., attached hereto, will be found some interesting information in regard to comparative cost of production in the United States and Canada. Omitting the cost of logs or the cost of stumpage and the expense of logging, driving, etc., Mr. Winton gives the cost of manufacture and the cost of selling and shipping at his Thief River Falls, Minn., mill at \$3.482 in 1906 and \$3.418 in 1907, while at the Prince Albert, Saskatchewan (Canada), mill the total cost of manufacture, shipping, and selling was in the same years \$4.187, being more than 20 per cent more at the Canadian mill than at the American mill. The average price received for lumber at the American mill in 1907 was \$21.10 per thousand, and at the Prince Albert mill \$21.66 per thousand. Thus while the cost of manufacture at the Canadian mill was about 20 per cent more than at the American mill, the price received for lumber was only 2 per cent greater than at the American mill.

Lumber relatively higher than other commodities.

In this connection it is worth remembering, as Mr. Hill, of Connecticut, pointed out on November 20, that however much other commodities may have increased in price, lumber has surpassed, overhauled, and distanced all of them in the great hill-climbing contest. The following table taken from page 299, Bulletin No. 75 of the Bureau of Labor, Department of Commerce and Labor, presents incontrovertible evidence on this subject.

Relative price of commodities 1890 to 1907.

[100 represents average price for 1890-1899.]

	1902.	1903.	1904.	1905.	1906.	1907.
Farm products.....	130.5	118.8	126.2	124.2	123.6	137.1
Food, etc.....	111.3	107.1	107.2	108.7	112.6	117.8
Cloths and clothing.....	102.0	106.6	109.8	112.0	120.0	126.7
Fuel and lighting.....	134.3	149.3	132.6	128.8	131.9	135.0
Metals and implements.....	117.2	117.6	109.6	122.5	135.2	143.4
Lumber and building materials.....	118.8	121.4	122.7	127.7	140.1	146.9
Drugs and chemicals.....	114.2	112.6	110.0	109.1	101.2	109.6
House furnishing goods.....	112.2	113.0	111.7	109.1	111.0	118.5
Miscellaneous.....	114.1	113.6	111.7	112.8	121.1	127.1
All commodities.....	112.9	113.6	113.0	115.9	122.5	129.5

Oriental labor.

Much has been made of the use of oriental labor in British Columbia; much more than the facts warrant. There are no more Japs in British Columbia than there are in the Coast States, and the prejudice against employing them in occupations desired by whites is just as great, if not greater. The laws of British Columbia forbid the employment of either Chinese or Japanese in all logging operations on leased provincial timber lands, which are fully 90 per cent of the forest area of the Province. There is no law in the Coast States that so explicitly expresses the race prejudice as this. Moreover, Japanese are employed to some extent in American mills. At the time of the outburst of racial antipathy against the Japanese on the Pacific coast, two years ago, Vancouver was far more disturbed and agitated than any American city. Canada was even ahead of the United States in coming to an agreement with Japan regarding the exclusion of Japanese from Canada. By the present arrangement only an insignificant number of Japanese may land in Canada annually. As for Chinamen, while they are not excluded from British Columbia, the head tax of \$500 is virtual prohibition, and there is no immigration of Chinese into the Province. Within the last three years several thousand Hindoos came to British Columbia, drawn there by reports of scarce labor and high wages. They have been driven across the line into Washington and driven back again. American mills employed them and they were mobbed. The Hindoos are not wanted in British Columbia, and the Canadian government is now planning to deport the whole colony, 3,000 or 4,000, all told, to Honduras. They are very inefficient workmen, because of their lack of muscular strength, their unfamiliarity with western methods, and their general ignorance. They draw from one-half to three-fourths as much pay as white men, and yet one employer considers that one white man is worth three Hindoos. The fact is that common white labor up to this time has been almost nonexistent in British Columbia, and the mill owners have had to use Chinamen, Japs, Indians, Hindoos—anything that had a trace of human intelligence—not to save labor cost, but to get some sort of labor at any cost. There is no doubt that as a whole the oriental labor employed in the coast mills of British Columbia is costlier than white labor, because it is far less productive. It really proves nothing as to labor cost to show a few orientals in a payroll, because it is certain that as a very general rule their efficiency is much below that of whites.

What orientals are employed are almost entirely in the tide-water mills. The mountain mills of British Columbia use few, if any, oriental laborers. Of four mountain mills on whom we have drawn for data, two do not employ any orientals, and the whole four only employ 20 orientals in their entire forces, and these are practically all as common laborers, who are employed side by side with white common laborers in the same mills at as high or higher wages than are paid in the State of Washington.

Summarized the oriental labor element in the problem amounts to nothing. Actually oriental labor is costlier than white, the supply is limited, and will decrease, and what is now used does not make the cost of production of lumber cheaper in British Columbia than in Washington. Certainly no American laborer will lose a job in the United States because of the employment of a few orientals in British Columbia, and he can go to that Province at any time and take an oriental's job away from him at the same, if not higher, pay than he was getting in the States.

Probably the only reason that so much has been made by the high lumber tariff protagonists of the oriental labor employed in British Columbia is a demagogic one, viz, that of appealing to race prejudice with the purpose of confusing the problem. On the Pacific coast it is in some quarters quite enough to rally the crowd to any standard by associating yellow labor with the other standard. Every man who will make a calm study of the facts will agree that it is simply ridiculous to bring oriental labor into a consideration of the cost of producing lumber.

Cheap labor competition within the United States.

It is noteworthy, too, in this connection that the oriental laborer employed in some of the British Columbia mills is better paid than the common white or negro laborer in the southern mills. The white pine and fir lumbermen who have to pay the higher wages have now to compete with cheaper labor in the South than they would have to on the coast with Canada. Common laborers in the southern mills (see Mr. Scanlon's testimony) get only \$1.25 a day.

Indeed, the testimony shows that even in the white-pine States common labor is hardly paid more than oriental labor on the Pacific coast. Mr. Scanlon testified that at his mill in Minnesota common labor was getting \$1.75 per day, and \$1.50 per day in the logging camps. A calculation made up from the pay rolls attached hereto for various British Columbia mills shows that common oriental laborers in those mills are paid from \$1.25 to \$2.35 per day, the average being \$1.68 per day. White common laborers in the same mills average \$2.30 per day, and the average of the whites and orientals together is \$1.94 per day, which is much higher than the average paid to common labor in either the white-pine States or the southern yellow-pine States.

The plea for the shingle.

A special plea is made for the shingle mills of the Puget Sound country, on the ground that the employees of the British Columbia shingle mills are about 80 per cent oriental, and also that the British

Columbia shingle is a better shingle than the American. It is not often that an American manufacturer argues for protection against the foreign product on the ground that it is better than his own, but this is done in the case of the shingle industry. It is a fact, well known to the lumber trade, that to-day the superior British Columbia shingle finds a ready market in the United States at a price higher than the Washington shingle by the amount of the duty, namely, 30 cents per thousand. The Washington shingle manufacturer can make as good a shingle as is made in British Columbia, but he prefers not to, and asks that he continue to be protected in the production of an inferior article. Curiously enough, he alleges that it is on account of the employment of oriental labor that a better shingle is made in British Columbia than in Washington. The reason of this is that the oriental works slower and takes more care than the white laborer. Consequently, his product in a given time is much less than that of a white man, yet both work at piece rates. It is stated that the average daily output of the white shingle maker is 40,000 shingles; that of an oriental 25,000 shingles. The efficiency of the white laborer according to this statement is 60 per cent greater than that of the oriental. It is hard to see how oriental labor can compete injuriously with white labor in the shingle industry, except as the oriental makes a better shingle. An interesting side light is thrown on this subject by an interview with a Puget Sound lumberman, appearing in the Mississippi Valley Lumberman of November 13, 1908, Mr. F. L. Meares, of the Olympic Lumber Company, Alaska Building, Seattle. The gentleman quoted said:

I believe that the removal of the duty would benefit rather than injure the shingle situation, because it would compel the American manufacturers to turn out a better grade of product. Washington shingle men do not make shingles of the high standard reached across the border. They are careless. This is a well-known fact. The Canadian manufacturers pack as well as cut a better article, and they ship it into the States over the heads of the American and sell it in spite of a 30 cent duty per thousand. If we had free trade the Americans would find it necessary to advance their standard. At first, of course, the shoe would pinch, but in the end the advantage would be ours.

Contrary to the general opinion expressed by lumbermen appearing before your committee in support of the tariff, Mr. Meares does not think that the removal of the duty would mean wasteful lumbering. In the same interview he stated: "As far as lumber is concerned, the same argument applies in a limited way, but I am of the opinion that the waste would be reduced and there would be more shingles with better methods of manufacture as a result. At the same time I think the sentiment of the entire Pacific slope is against a change in the present tariff schedules, and undoubtedly the Washington lumbermen will be able to carry their point."

Should the American consumer be compelled to pay a tax in order to get a superior article from abroad, when that tax is an encouragement to the domestic manufacturer to produce an inferior article?

Tariff does not favor forest conservation.

It is the contention of those who favor the present lumber tariff, or a higher one, that the admission of the forest products of other countries will tend to hasten the destruction of our forests instead of prolonging their existence by reducing the pressure on them. Reduced to its simplest terms their testimony on this point is simply that they

will be unable to compete with the low-grade lumber imported from Canada, and will have practically to abandon the production of low grades themselves. That is, they will leave in the forests all parts of the timber tree that will not make into a large percentage of high-grade lumber. Whereas, they say, with the present duty they clean up their cuttings; without the duty they would not clean them up. They do not take the position that they will cut any smaller area of timber or any fewer trees each year than they do now. They simply say they will not be so economical of the product. In other words, tariff or no tariff, as the lumberman who desires protection sees it, our forests will be cut down with ever-increasing rapidity. But in the one case they promise less waste than in the other. Now, this is not forest conservation, though it may mean, if we are to accept their premises, wood economy. On this point it is sufficient to say that the Pacific coast lumbermen testify that they now leave 25 per cent of the tree in the forest. It is hardly likely that under any conditions they will leave more of it there in the future.

The testimony of the high-tariff lumbermen on this subject, then, simply resolves itself into a threat that if the tariff is reduced they will leave their cut-over timber lands covered with the débris of the unused portions of the trees. These slashings will be the certain origin of numerous fires, which will, if not extinguished, destroy the standing timber adjacent. Timber has become too valuable for lumbermen to conduct their operations willfully in a manner that will tend to promote the destruction by fire of what is reserved from the ax.

But we do not concede that the American lumberman can not compete with the Canadian lumberman in low-grade boards. Take any impartial lumberman, such as Mr. Scanlon, who is familiar with conditions on both sides, and he will tell you that anywhere from Minnesota to the Pacific coast the American lumberman who knows his business can produce his lumber cheaper than the Canadian. The Canadian can hardly undersell the American lumberman to any great extent, then, on the higher grades of lumber, and the American lumberman at the same prices will be able to make a profit so much larger on his high grades than the Canadian can that he can well afford to sell his low grades in competition with the Canadian low grades. Wherever Canadian competition is powerful the low grades of lumber will be cheaper, much to the benefit of the consumer, and little, if any, injury to the producer. The fact ought to be borne in mind in this connection that the great majority of the mill owners own their own stumpage, which has increased enormously in value within the last few years. Also that during the seven years preceding 1908 the profits from the manufacture of lumber, generally speaking, have been lavish. They will continue to be so in the future in normal times, and they are so large that they can well stand some reduction which will benefit the consumer and yet leave the producer some distance from the poorhouse.

Percentage of low grades.

When I stated before your committee that I thought 20 per cent would cover the proportion of low-grade lumber, Mr. Fordney maintained that 40 per cent was right, and later witnesses even put the

amount of low grades as high as 60 per cent. These higher figures are incomprehensible to me in view of such data as I have been able to collect. In a statement on the relative cost of production in the United States and Canada by Mr. D. N. Winton, attached hereto, he says that in 1906 and 1907 the percentage of low-grade boards and shorts (meaning by low-grade boards, No. 4 and No. 5) at the mill at Thief River Falls, Minn., averaged 25 per cent. One of the large Minneapolis mills from 1896 to 1903 averaged only 16.2 per cent low grades, including No. 4 and No. 5 boards and No. 4 and No. 5 shorts and strips. Certainly, mills having only these percentages of low grades have nothing to fear from Canadian low-grade boards.

Washington forester favors free lumber.

Chief Forester E. O. Westfall, of the Washington State Reforestry Association, does not agree with many witnesses before your committee as to the effect of free lumber on forest conservation. In the Mississippi Valley Lumberman of November 13 he is quoted as saying that there is almost no interest whatever among the lumbermen in Washington looking toward the preservation of the forests, and that he finds "the mill men are apparently desirous of cutting down the timber as rapidly as they can without thought of the future." He believes this short-sighted policy will be overcome by putting Canadian lumber on an equal footing.

In the same issue of the same publication another lumberman, who is described as one who thoroughly understands the Canadian situation, says "that the last few years has demonstrated the fact that the ordinary production of the British Columbia mills is little, if any, more than is necessary for the needs of the rapidly developing provinces of Alberta, Saskatchewan, and the others to eastward as well as British Columbia." Another feature of the situation, he continues, "is that the Canadian timber is not so extensive as might be supposed. I feel certain that the forests on the American side will last as long as or longer than those to northward. Vast areas in the provinces which would be supposed to bear rich harvests of timber have scarcely a stick, and the Canadian timber is practically difficult to market. In the mountain regions it is difficult to get at and still harder to get out, while navigation with a raft of logs along the coast is most perilous. Some of the roughest coast on the American continent is to be found between the Washington line and that of Alaska."

So we have our lumbermen contending in one breath that Canadian competition would disastrously affect them, and in the next demonstrating that there is no danger of such competition on account of the limited extent of the Canadian forests and the high cost of production.

The California market.

Much is made by the north coast lumbermen of British Columbia competition in the California market if the duty on lumber is removed. They argue that freight rates will be much cheaper between British Columbia points and Canada than between Washington and Oregon points and California coast. The former will be able to use vessels flying other than the American flag, whereas the latter will be restricted to the use of American vessels, the latter having, of course, a

monopoly of the domestic coasting trade and being more expensive of operation than foreign vessels.

There may be something in this, but whatever advantage British Columbia lumbermen may have in cheaper cargo rates to California points is offset by the greater cost of production in British Columbia. It is noteworthy that even though stumpage averages less in British Columbia than in Washington and Oregon, logs command approximately the same prices at Vancouver and Puget Sound points. (See appended statements.)

Yet rates on cargoes under foreign flags can not be very much lower than on the domestic coast trade, else British Columbia should, if the theory of our friends is correct, be able to export a great deal of lumber to the California points at the present time, whereas it exported nothing to those points in 1907 against 1,114,000,000 feet shipped there from Washington and Oregon in the same year. Even the tremendous demand for timber occasioned by the San Francisco earthquake and fire only drew 797,868 feet of lumber from British Columbia in 1906, while in the same year Washington and Oregon sent to California 1,079,000,000 feet of lumber.

During the whole period that the Wilson tariff law was in effect, with lumber on the free list, British Columbia exported to California only 14,000,000 feet of lumber as compared with 1,058,519,453 feet sent from Oregon and Washington.

Apropos, in an editorial opposing the repeal of the lumber tariff the San Francisco Chronicle (November 23, 1908) says:

The rate of duty on sawed but otherwise unmanufactured lumber is \$2 per thousand feet board measure, which on this coast, and under ordinary conditions, is prohibitive. The lumber from the forests of British Columbia costs as much or nearly as much at tide water as lumber from our own forests, and only by a sacrifice of most or all of the profits can Canadian lumber be sold in American ports on the Pacific after paying that duty. It is not attempted. Canadian lumber seeks other markets where there is less local competition.

Concentration of forest ownership.

In my statement before the committee on November 20 I said that it was estimated that three great interests controlled one-third of the standing timber of the United States. I find upon further investigation that as far as can be determined in a field where accurate statistics are so lacking, I would have been more nearly right had I said one-fifth was owned by three great interests. I also find, as Mr. Dwinnell shows most interestingly and conclusively in his paper, that a very few great interests now own about 50 per cent of the commercial coniferous standing timber of the United States. These estimates have reference to the standing timber measured by board feet, not to acreage areas. The great buyers of timber understand their business and invariably get possession of the forest lands carrying the maximum amount of timber per acre. It is absurd to attempt, as one witness did, to determine timber holdings on an acreage basis, and his calculation that the three interests referred to own less than one-half of 1 per cent of all the standing timber is much further from the fact than my statement. No one will deny that the tendency is more and more to concentrate the holdings of valuable commercial timber in the hands of extensive owners.

In conclusion, I would say that I believe that a majority of the American people to-day are unqualifiedly in favor of the repeal of

the tariff on forest products, and that to grant their wish is to serve the highest national interests, in that it will relieve our people of an unnecessary burden of taxation, open to them wider sources of supply for a commodity of almost universal use, tend to prolong the life of our standing forests, and pave the way for a new era of scientific lumbering and forest conservation.

Respectfully submitted.

THEODORE M. KNAPPEN,
Secretary of the National Forest Conservation League.

**BRIEF OF W. S. DWINNELL, OF MINNEAPOLIS, MINN., SUBMITTED
FOR NATIONAL FOREST CONSERVATION LEAGUE.**

MINNEAPOLIS, MINN.,
Thursday, December 1, 1908.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The writer hereof has for many years been the owner of timber in various parts of the United States, particularly in the States of California, Oregon, in the Canadian Northwest, and in the province of British Columbia, has been largely interested in logging in the State of Oregon, and is now operating a hard-wood plant in the State of Kentucky. For the last ten years he has made an average of three trips per year to the Pacific coast, covering the territory mentioned above, and during all of that time has been a careful observer and investigator of the conditions surrounding the lumber business and the holding of timber in that section. He has during all that time resided in the city of Minneapolis, which up to recently has been the largest lumber manufacturing center in the world, and by reason thereof has become familiar with the industry in that city, and has also had ample opportunity of observing the decadence of the lumber industry in both Wisconsin and Minnesota.

THE GREATNESS OF THE QUESTION INVOLVED.

No schedule will be presented to the Ways and Means Committee which will be freighted with the tremendous importance of the one under consideration. Tariff schedules as a rule involve only the temporary success or failure of an industry. But the adjustment of the schedule on wood products does more than involve the welfare of an industry; it pertains to the great future of the American people. No argument need be adduced to show the rapid decadence of the forests of the United States and the effect thereof. The student of history knows well how greatly has the destruction of forests conduced to the decadence of the ancient nations. The question is, Will the present Congress prove itself big enough to look into the great future? It is not only a question of altruism, but it is one of outright patriotism.

What has already been done in the destruction of our forests was eloquently portrayed by Senator Dolliver when he said:

There has never been in the history of human society as completely organized a crime against the human race as the destruction of the American forests in Pennsylvania, in New York, in Michigan, in Wisconsin, in Minnesota; and to make the crime all the more ignoble, it was based upon greed and avarice and the love of money,

which we are taught is the root of all evil. So it has proved in that vast public domain. It was despoiled by the spoilers who violated the land laws of the United States, and the witnesses still stand there in the burned trunks of great trees, in this pathetic tangled mass of burned logs and vegetable matter scattered over square miles of territory that, if it had been administered with wisdom and patriotism, might to-day be the permanent source of a lumber supply to us and to our children's children.

The statement that the destruction of our forests results in the flooding of our rivers, the great erosion of our soil and the consequent deposit of silt in our rivers, making them unnavigable, and that it affects the regularity of rainfall, is so axiomatic as to be almost unnecessary of demonstration. The observation of the veriest tyro shows this to be true, and yet certain witnesses have appeared before this committee and have attempted to argue that such was not the case.

This is, therefore, a question much broader than the mere effect it may have upon the lumber industry. We propose, however, to discuss it from that standpoint alone, and to present such facts and statements as will show beyond peradventure that the lumber and timber holding industry will continue to be one of the most profitable industries in the United States, notwithstanding the entire removal of the tariff.

COMPARATIVE COST OF THE PRODUCTION OF LUMBER.

Detailed statements of the cost of labor will be submitted in the brief of the secretary of this league, showing the same to be much higher in all that part of Canada west of Lake Superior than it is on this side of the line. The cost of labor in the Province of Ontario, which includes the Georgian Bay, Ottawa River, and Rainy River countries (the three great lumber-producing districts of that province), do not vary from that in Wisconsin, Michigan, Minnesota, and Pennsylvania. The cost of labor in Quebec and the maritime provinces is slightly less than that in the State of Maine. It is well known that in that section there is a constant migration of labor; that the industrial population of New England is made up quite largely from the eastern provinces of Canada, and any material variation in the price of labor between Canada and the United States is speedily equalized by a migration of industrial population. It is true that in a very few mills in Vancouver and Victoria oriental labor is employed. This same thing is true in several mills in Washington, particularly those engaged in the shingle industry. This oriental labor is not economical, but is resorted to because no other common labor is at hand. Not over four weeks ago Mr. A. McLaren, formerly one of the largest lumber operators on the Ottawa River and now owner of one of the largest mills in Vancouver (the North Pacific Lumber Company), told the writer that his experience showed oriental labor to be much more expensive than white, but that it was employed by him for the reasons above stated. The argument against oriental labor, however, has no more force than would an argument against the cheap wages paid the colored labor of the South. I do not know of an operator in southern pine but what would gladly exchange his cheap colored labor for higher-priced white labor. The same condition is true on the Pacific coast.

The other item of cost in the manufacture of lumber is the cost of the plant. The writer hereof is in a position to know the difference

in cost. He recently secured figures for the duplication of a plant now being operated at Everett, Wash., and which cost \$35,000, the same to be built just north of the line in British Columbia, and this \$35,000 mill when built in British Columbia was estimated to cost \$50,000. The Canadian import duty on machinery is from 20 per cent to 30 per cent. This includes not only sawmill machinery but all logging machinery and equipment, which is expensive and used almost exclusively in logging operations on the coast. Certain logging machinery and many mill supplies, logging engines, and equipment are manufactured in Canada, but are sold at a price just under the cost of American machinery plus the duty and the freight. Construction labor in British Columbia is much more expensive and less efficient than on this side, so that a statement that the cost of mills in Canada is 25 per cent greater than on this side of the line is well within the truth. If, then, the two principal items which go to make up the cost of the manufacture of lumber are equal, if not greater, in Canada than in the United States, how can it be said that a tariff is necessary to protect either labor or the manufacturer? The real party who is seeking protection, "the nigger in the wood pile," has already been discovered by certain members of this committee. He is the stumpage holder, the man who, taking advantage of the generosity of our Government, has by the aid of the homestead law, the timber and stone act, the lieu land scrip act, and by purchase from generously endowed railroads, been able to secure possession of a vast amount of the forested domain at a cost to him of from \$2.50 to \$5 per acre, which land he has by process of arbitrarily advancing values, marked up from time to time, until he is now carrying it at from \$30 to \$60 per acre.

Who are some of these people? And if it can be shown that their profits have been beyond the dreams of human avarice, should this not be taken into consideration in determining the necessity of a protective schedule? The list is too great for enumeration; I would mention only a few.

SOME LARGE TIMBER OWNERS.

Weyerhaeuser interests.—The Weyerhaeuser Timber Company is the greatest of all the numerous Weyerhaeuser interests. It is commonly reported that the Weyerhaeusers (father and sons) direct and control the affairs of 40 different lumber corporations, but of all these the Weyerhaeuser Timber Company is the greatest. The information which I would give regarding this company came to me not over two weeks ago from a person intimately associated with a stockholder of the company. About the year 1900 the Weyerhaeuser Timber Company purchased from the Northern Pacific Railway 1,000,000 acres of timber land, principally within the State of Washington, and estimated to contain 40,000,000,000 feet of timber. The price paid therefor was either \$6 or \$6.50 per acre, or approximately 15 cents per thousand. Since that time the holdings of this company have been increased so that it now owns 70,000,000,000 feet of timber, mostly in the State of Washington; some, however, being located in Oregon and California. During the last year scattering pieces of stumpage were sold by the company at a minimum price of \$3 per thousand, and it is impossible to make purchases of the company of any con-

siderable bodies of timber. Mr. Weyerhaeuser makes a standing offer of \$800 per share for any stock of this company. None is on the market, but little is sold, and the real market value thereof can not be ascertained, except from the facts given above. This company is capitalized at \$15,000,000. The Weyerhaeusers are interested in the Potlatch Lumber Company, the Humbird Lumber Company, the Bonners Ferry Lumber Company, and other companies in the State of Idaho, which practically control the white-pine stumpage of that district. Their plans in Minnesota are shown by the following dispatch from Chicago, sent six days after the appearance before this committee of Messrs. Hines and McCormick as representatives of the Weyerhaeuser interests. It is as follows:

CHICAGO, November 26.

One of the most important lumber deals of recent years, by which a \$20,000,000 syndicate will take control of the pine forests of northern Minnesota, is near completion.

Representatives of the three big interests involved—the Weyerhaeuser Company of Cloquet, Minn., the Cook & O'Brien Company of Duluth, and the Edward Hines Lumber Company of Chicago—met late yesterday at the Union League Club to discuss the plan by which the Hines Company, either in itself or operating through a syndicate, is to take control of the properties.

Edward Hines to-day said the plan was not in such shape that he could give out the details, but admitted that it would be put through within a day or two, and that nothing but minor matters were left to be settled.

Big interests to be pooled. Besides Mr. Hines, at the meeting were Frederick Weyerhaeuser and his sons, John and Rudolph, and a member of the firm of Cooke & O'Brien.

The interests to be pooled are: Lumber in Minnesota and the Province of Ontario controlled by the Weyerhaeuser people, valued at \$8,000,000; lumber in Minnesota controlled by the Cooke & O'Brien people, valued at \$11,000,000; the Rainy Lake, Duluth and Winnipeg Railroad, controlled by Cooke & O'Brien, 200 miles long and worth \$1,000,000; between \$1,000,000 and \$2,000,000 worth of lumber controlled by the Hines people.

World's biggest white-pine tract. This constitutes 3,000,000 feet of lumber in white pine, Norway pine, and hemlock. It comprises the biggest tract of white pine left in the world. The timber lies in St. Louis County, the country to the east, and in Ontario. The object of the combine is said to be to obtain control of the transportation facilities, so that the lumber can be handled cheaper for all concerned.

Just how the reorganization is to be brought about was not divulged. The Weyerhaeuser Company owns 45 per cent of the stock of the Hines Company.

Later reports show that the proposed consolidation includes only the Weyerhaeuser interests at Cloquet; that the great mills at Little Falls, Minneapolis, Chippewa Falls, and other points in Wisconsin are not included in this white-pine combination. In this connection it is interesting to observe that the village of Cloquet has, under the Weyerhaeuser dominion, surpassed Minneapolis, and two years ago was reported to be the largest lumber-manufacturing center in the world, the Weyerhaeusers owning every property in this village.

In addition to their interests on the Pacific and in the white-pine district of the north, the Weyerhaeusers have become largely interested in southern pine.

Mr. T. B. Walker, who appeared in person before this committee, has long been known as one of the largest, if not the largest, holder of white pine in the State of Minnesota. At an early date his foresightedness led him to acquire great bodies of the choicest timber in northern Minnesota, at a very nominal consideration. Much of this timber has been held by him until it has brought \$10 per thousand on the stump. Some nine years ago, fully appreciating the decadence of the pine forests of the north, he turned his attention to California, and his foresight again led him

to the acquisition of large tracts of sugar and yellow pine, purchased at a comparatively nominal consideration. Mr. Walker has reported his interests in California to be from 500,000 to 650,000 acres, with an estimated minimum stumpage of 30,000 per acre. It will thus be seen that he owns of the pine of California from 15 to 20 billion feet.

South of the Walker interests in California come the great holdings of the Diamond Match Company, whose headquarters are at Chico. Immediately adjoining the Walker holdings and to the west and north thereof, come the great holdings of the McLeod River Lumber Company and its allied interests, estimated to contain not less than 5 billion feet of pine.

On the coast in California are the great holdings of redwood, principal among which are the holdings of the Owen syndicate and the Smith and Hammond interests, the three estimated to be not less than 20 billion feet.

In California and Oregon in the pine, the redwood, and the fir will be found the C. A. Smith holdings, the estimates of a part only having been made public, but in the lumber world generally understood to be of gigantic proportions.

Farther north in the State of Oregon are found the great holdings of the Booth-Kelly Company, at Eugene; and still farther on the interests of the Blodgett or Michigan syndicate. Passing over into the State of Washington, in addition to the Weyerhaeuser interests, are the great holdings recently acquired along the line of the new Milwaukee and St. Paul road, commonly supposed to be held by Standard Oil interests. Still farther north and adjacent to Tacoma are the Griggs & Foster and the Henry Hewitt interests. North of Seattle are the holdings of Merrill & Ring and Thomas Irvine. On the east slope of the Cascade Mountains in Oregon, and all through northern Minnesota, are found the great holdings of the various Shevlin corporations.

It will be found upon investigation that the yellow pine of the South is quite largely concentrated. In addition to the holdings of the Weyerhaeuser interest are those of the Kirby Lumber Company, of J. D. Lacy & Co., and of the Goodyear, Joyce, and R. A. Long companies, each of them vast empires in themselves.

In addition to the above there are many large holders controlling from 1 to 2 billion feet, who are not enumerated. When it is stated, however, that a careful computation of the holdings of the interests especially enumerated equal 50 per cent of the total available coniferous merchantable timber of the United States, food for reflection as to whether a tariff is necessary for their protection is furnished.

An attempt has been made to create the impression before this committee that a vast number of people are engaged in the manufacture of lumber. The fact is that the lumber industry of the United States is to-day almost entirely in the hands of large manufacturers. In North Carolina, where the pine is of an indifferent nature, and in some of the cut-over districts of Wisconsin and Michigan, where the only lumber industry remaining is the manufacture of hemlock and hard wood, there may be found quite a large number of small mills, but outside of these districts the industry generally is carried on by mills manufacturing from 100,000 feet per day upward.

ADVANCE IN PRICE OF STUMPAGE.

The average advance in the price of stumpage is shown by a carefully compiled statement in Bulletin 77, issued by the Department of Agriculture. It is as follows:

Kind.	Average value per M feet.		
	1899.	1904.	1907.
White pine.....	\$3.66	\$4.62	\$8.09
Ash.....	3.03	3.95	7.58
Basswood.....	1.50	3.89	6.79
Hickory.....			6.69
Oak.....	3.18	3.85	6.52
Spruce.....	2.26	3.70	5.49
Chestnut.....	2.71	3.39	4.97
Elm.....	3.30	5.58	4.94
Poplar.....	2.51	3.89	4.64
Cedar.....	1.32	1.49	4.63
Hemlock.....	2.56	3.51	4.51
Birch.....			4.40
Cypress.....	1.58	3.42	4.37
Cottonwood.....	1.45	2.61	3.37
Beech.....			3.56
Yellow pine.....	1.12	1.68	3.16
Maple.....	2.66	3.82	2.50
Red gum.....	1.68	1.67	2.46
Redwood.....	1.06	1.55	2.35
Western pine.....			1.66
Douglas fir.....	.77	1.05	1.66
Tupelo.....			1.27

The above table is made up by sending out a large number of inquiries and is supposed to represent the average increase in value. The increase of the more favorably located timber, however, has been much greater than that indicated in the table. Let me cite some advances of which I have actual knowledge. In 1897 I could have purchased long-leaf yellow pine in the State of Louisiana for \$5 per acre, which is now held by the owner at \$60 per acre, and adjoining tracts of which have sold at this price. In 1902 I was offered 25,000 acres of sugar and yellow pine in California at \$5 per acre. Pieces similarly located are now being sold at \$2 per thousand, or approximately \$40 per acre. In 1902, on June 27, I purchased timber in Oregon at 40 cents per thousand, and in 1907 this timber sold at \$3 per thousand. In 1897 the Shevlin interests purchased 800,000,000 feet of pine in Minnesota at \$1 a thousand. If this timber were standing to-day it would sell for \$10 per thousand. Reference has already been made to the advance in purchases by the Weyerhaeuser Timber Company. It would thus seem clear that protection was not necessary in order to preserve the profit of the timber owner; and when driven into a corner they reply that protection is necessary in order to produce high-priced lumber and thus conserve our forests by the more thorough clearing of the same.

EFFECT OF TARIFF ON CONSERVATION.

We have never heard of a more specious argument than the one above mentioned. In the first place, if lumber made out of the tops and limbs of trees is shipped in from Canada and a corresponding

amount of tops and limbs are left lying in the woods in the United States, it is at once manifest that the forests of the United States are not affected one way or the other. In other words, whatever timber of Canadian production is used in this country will take the place of that wasted. But the statement is not true that the importation into this country of cheap lumber will affect the cutting of our forests, for the following reasons: The only lumber which can be exported into the United States from the great forests of the Canadian west is high-priced lumber. Cheap lumber, such as Nos. 4 and 5 boards and cull stuff, can no more be shipped to the United States than can it be shipped from the Washington, Oregon, and California mills to the markets of the Mississippi Valley. The freight is the same on a board whether it is of high quality or low, and on a cheap board, selling at \$5 or \$6 at the mill, the freight of from \$10 to \$12 per thousand becomes such an important item that it can not compete with the cheaper hemlock and like material produced in the forests nearer at hand.

From the Georgian Bay country there may be and probably is some shipments of low-grade lumber, but to my certain knowledge the bulk of the importations from Georgian Bay mills is of high-grade pine. Moreover, the timber in the Georgian Bay country is of limited extent and the life of the mills there of limited duration. Long before another tariff bill is adopted in this country will the Georgian Bay mills have ceased to produce any lumber, and this bill should be framed very largely with eyes turned toward the West, which must be the source of our lumber supply of the future. If it is believed that the argument that a tariff is necessary to forest conservation is advanced in good faith, let this committee offer to those lumbermen advancing it a specific duty on Nos. 4 and 5 boards and cull lumber and see whether or not the same is satisfactory.

The waste so often referred to is that of the mills, there often being no market for the slabs, shavings, sawdust, and lath, and in the fir mills of the coast to the uninitiated the greatest waste comes from what appears to be the sacrifice of good lumber, which in point of fact is so filled with pitch as to be unusable for any known merchantable purposes. As the country settles and centers of population become established, the industry in the West will undergo the same changes it has in the Mississippi Valley. In the city of Minneapolis twenty years ago the above by-products were almost entirely wasted; to-day they are one of the chief sources of profit. A tariff, or a greater or less importation of outside lumber, will in no way affect these conditions.

All of the lumbermen appearing before this committee in advocacy of the removal of the tariff were large holders of American timber, and some of them among our largest manufacturers. It was stated by them that their investments in the United States exceeded many times over their investments in Canada. They advocated a removal of the tariff, believing that it would not affect the industry in the United States or the price of stumpage, but that it would have an appreciable effect upon their Canadian holdings. That their conclusion was correctly formed is shown by the statement contained in a paper read before the Washington Lumber Manufacturers' Association in 1905 by Mr. W. I. Ewart, one of the best posted tim-

ber men of the United States, and who for many years represented the Weyerhaeuser timber interests on the Pacific coast. He said:

I have already occupied too much time to admit of any lengthy consideration of the tariff question, and fortunately the average citizen is already sufficiently informed on this subject to make it undesirable to tender any gratuitous enlightenment, for one of the inalienable rights of every American citizen lies in the conscious possession of a clear and conclusive understanding of the intricacies of the protective tariff and its arch enemy free trade. I shall, therefore, tread softly.

In the very near future I am inclined to think our duty on lumber will be materially modified, if not entirely removed. The result will be an advance in value of Canadian stumpage, rather than a decline in the American lumber market. The effect on timber values in the United States will be insignificant. I shall not stop to submit arguments in support of these conclusions, but will simply state that in my opinion they are susceptible of demonstration.

At this same meeting a paper was read by Mr. W. I. Stewart, a lumberman of large experience both in the Mississippi Valley and in the West, and as this is a statement candidly made before a lumbermen's association—in fact, before the very association which is the most ardent objector to a removal of the tariff—I quote from it at considerable length, believing the facts stated therein are much more reliable and would be a much safer guide to this committee than testimony given before it for a specific purpose. Mr. Stewart's address was in part as follows:

Thirty years ago white-pine stumpage in Wisconsin and Minnesota had exactly the same value as the timber of Washington and Oregon commands to-day. In 1875 the maximum price was \$1.50 per thousand feet for choice white pine accessible to drivable tributaries of the Mississippi. Tracts remote from driving streams and those of inferior quality were practically without market value, the average price in most cases being equivalent to not over 50 cents per thousand, the range of value being from this figure to the maximum of \$1.50. Along about 1880 a marked advance took place in the lumber markets, and in consequence stumpage values increased materially; in the early nineties the result of the financial panic was seriously felt in the lumber markets, but standing timber was unaffected; in fact, stumpage values have at intervals come to a standstill temporarily, but the tendency has been steadily upward, and no advance has ever been lost. There has been no retrogression except on the manufactured product. This has been uniformly and invariably true; depressions in the lumber market have at times lessened transactions in timber lands, but no decline from fixed valuations has ever been recorded. Mr. F. Weyerhaeuser once remarked to me that the only times he ever lost money on timber lands were the times when he did not buy. From 1875 white-pine stumpage steadily increased in value until the present basis of five to twelve dollars was reached, the average to-day being not less than \$8, and exceptional transactions could be cited at almost double this figure. When we consider that a large percentage of undersized and inferior timber is now taken into the estimates which previously was excluded, it is safe to say that to-day's figures represent at least ten times the value current in 1875—in other words, white-pine stumpage has made an average increase of 100 per cent for every three years during the past thirty years.

SOUTHERN YELLOW PINE.

With the diminishing supply of white pine the forests of the South began to receive attention, and with crude methods of manufacture the southern mills began about 1880 to make shipments northward to St. Louis, Chicago, and the Missouri Valley, consisting at the first almost entirely of specialties, such as long timbers, car sills, deep joists, etc., but in proportion as white pine diminished in supply and increased in value yellow pine pushed farther northward until everything east of the Rocky Mountains has come to be considered the rightful and exclusive domain of the southern manufacturer, and efforts to introduce a few samples of Pacific coast fir in that territory seemed to be regarded as an unwarranted intrusion which is not to be tolerated. I shall not pursue this point for fear that I might infringe upon the copyright privileges of your secretary.

Twenty years ago timber lands were worth from \$1.25 to \$5 per acre; to-day these lands bring \$10 to \$30 per acre. Yellow-pine stumpage which in 1885 was worth not over 50 cents per thousand is to-day (1905) held at \$2 to \$4 per thousand, the average value being probably \$3. As yellow pine is destined to be the principal competitor of our Pacific coast woods in all markets east of the Rockies, it will be of interest to know that the total stand of this wood in the Southern States is estimated at about 300 billion feet, or 25 per cent less than the amount of timber standing in the States of Washington and Oregon.

The latest government estimates for Washington aggregate 193 billion feet, and for Oregon 213 billion feet. I have not seen the government estimate for California, but other authorities credit this State with something over 200 billion feet. The three States bordering on the Pacific may therefore be said to contain 600 billion feet of merchantable standing timber, or double the amount of yellow pine that is credited to the Southern States in similar estimates, all of which are, of course, simple approximations, as there is no practical method of getting at exact figures, owing to the enormous expense which an actual cruise of all the timbered areas would involve.

Idaho and Montana will probably yield 100 billion feet, making a full total of 700 billion feet for the Pacific Coast States; and if we add 100 billion feet for British Columbia and Alberta, which is probably above the actual, we have a grand aggregate of 850 billion feet, worth at \$1 per thousand feet, the enormous sum of \$800,000,000, almost enough to placate the Emperor of Japan.

RATE OF CONSUMPTION.

The annual consumption of lumber in the United States is steadily increasing, and is variously estimated (including hard woods) at from 600 to 750 feet per capita, making on our population of 80,000,000, say 50,000,000 feet per year—a rate which would exhaust the estimated yellow-pine stand of the Southern States in six years and the entire Pacific coast, including British Columbia, in fifteen years thereafter, if there were no other sources of supply; and there are none of very extensive proportions. A recent estimate of the remaining pine in Minnesota and Wisconsin places this at only 40 billion feet—equivalent to about one-fifth of the timber now standing in the State of Washington.

Having taken a general survey of the outlying field with which we are concerned in the consideration of future stumpage values on the Pacific coast, we are now prepared to take up those questions which are involved more directly and immediately in this subject. We have seen that the constant tendency of stumpage values elsewhere has been upward, and it is inevitable that history will quickly repeat itself on the Pacific coast. With the approaching exhaustion of the white-pine belt and the rapid enhancement of values in the South as a result of the constantly increasing demand upon that source of supply, the nominal values now prevalent here must increase many times over until ultimately the product of these magnificent forests, which surpass all others in both quantity and quality of their yield, shall command as high a price per thousand feet as that which has prevailed for eastern white pine, and from which so many vast fortunes have been realized. As the Pacific coast forests yield four times as much per acre as the pine lands on the East, the result of such increase will be to establish acreage valuations never before equaled, and the western owners will be correspondingly enriched.

A very striking example of how the Canadian forests would share with our own the current demands is shown by the proposed operation of the two Shevlin mills on Rainy River, one on the north bank of the river in Ontario and the other on the south bank of the river in Minnesota. These mills each have a capacity of about 60,000,000 feet, and were built approximately at the same time, with the expectation of both being operated to the same extent. The Shevlin holdings tributary to these two mills are about 900,000,000 feet in Minnesota and an equal amount in Ontario, but instead of cutting an equal amount in each mill, during the coming year it is proposed to operate the Minnesota mill to its full capacity, while the Ontario mill will cut only 6,000,000 feet, or about one-tenth of its capacity.

EFFECT OF A REMOVAL OF THE TARIFF ON THE PRICE OF LUMBER.

A statement has already been given showing the increase in stumpage values. The following statement from Bulletin 77 shows the advance in the price of lumber:

Yellow pine advanced from \$8.48 per thousand in 1899 to \$15.02 in 1906, 77 per cent. Cedar rose from \$10.91 to \$18.12, 66 per cent; cypress, from \$13.32 to \$21.94, and redwood from \$10.12 to \$16.64, 64 per cent in each case. Douglas fir increased from \$8.67 to \$14.20, 63 per cent, and poplar from \$14.03 to \$24.21, or 73 per cent. Notable increases are also shown by hickory, oak, spruce, western pine, hemlock, and ash.

It is claimed by lumbermen that the advance in the price of lumber at the mill is made up almost entirely from the advance in the cost of labor. Figures will be furnished showing that while there has been a moderate increase in the price of labor, yet it is only 10 per cent since the year 1900, and small compared with the advance in the cost of lumber. It is a fact that the cost of lumber is looked upon now as excessively high. No longer ago than last week I paid \$50 per thousand for white-pine boards sawed in this city, and in times of great commercial activity even the most common grades of lumber go "out of sight," as it were. The effect of a removal of the tariff will be to steady the market and to materially reduce the price when such prices are excessive. This has already been elaborated in the verbal testimony heretofore given.

COST OF CANADIAN STUMPAGE AS COMPARED WITH THAT OF THE UNITED STATES.

An attempt has been made to create the impression that Canadian stumpage costs the holder thereof nothing, and that it would therefore be a marked injustice to put that in competition with our own stumpage. Reference has already been made to some of the avenues through which the American lumbermen have acquired their cheap stumpage, and I state, without fear of contradiction, that the cost of Canadian stumpage in the hands of the original holder is much greater than has been the cost of the United States stumpage. At an early day in Canada large grants of timber were made for a very small consideration. Timber so held, with the exception of some remaining in the Province of Quebec, has been quite largely cut off. The same was true of timber in the United States. Note the vast grants to railroad companies. But the later day Canadian timber has been disposed of at a price much in excess of the price of stumpage on this side of the line. It has been the policy of the Dominion government in the last twenty years to reserve a royalty of 50 cents a thousand on all timber disposed of by it. In addition to this, the timber is put up for tender and is awarded to the person bidding the highest price as a bonus. At an average stumpage of 15,000 per acre, it will be seen that the timber has cost the original holder at least \$7.50 by way of royalties and whatever bonus was paid therefor. Contrast this with the original entries of timber made in this country. But most of the timber in Canada in competition with that of the United States was by the Dominion government dedicated to the Provinces, and their policy has been such that it has been practically impossible to acquire cheap stumpage. It has been the policy of the Province of Ontario for many years to dispose of its

timber to the highest bidder—very often at an upset price much in excess of anything ever obtained for government timber in the United States.

In the month of August I visited a mill at Kewatin, on Lake of the Woods, in the Province of Ontario, which was operating upon logs upon which the royalty to the provincial government was from \$6 to \$7.50 per thousand, and so has it been for many years; the price paid the government for stumpage being advanced to conform to the actual increase in value.

In the Province of British Columbia all of the timber, with the exception of a strip 20 miles wide on either side of the Canadian Pacific Railway, was transferred by the Dominion to the province upon its creation. In early days a few crown grants of timber were made—that is, timber upon which the fee to the land passed to the owner and upon which no royalties were reserved—but practically all of the timber of the province is held under a title called a "special license," which is good only from year to year, upon which the Crown reserves a royalty of 50 cents per thousand and upon which annual dues in amount of \$140 per mile for that district west of the Cascade Mountains and \$115 for that district east of the Cascade Mountains are imposed. These licenses are made renewable by statute for the period of twenty-one years only. They are subject to such increase in both the annual dues and the royalties as the government may see fit to impose from time to time, and only one year ago it was proposed by the government to advance the dues 25 cents per thousand. It will thus be seen that the original acquirer of timber from the government is not in better position than are his confrères on this side of the line, and as these licenses are transferred from time to time at a consideration running as high as \$10 per acre, it will be seen that the stumpage of the United States will not be in competition with cheap and worthless stumpage in Canada.

A statement was made by Mr. Edward Hines to this committee which, while it may have been true as to the particular case in hand, was so misleading in its general effect that specific reference must be made thereto. It was stated that 500,000,000 feet of timber in the State of Wisconsin cost his company \$90,000 a year to carry, while the same amount of timber in Canada cost but \$300 per year. The 500,000,000 feet of timber in Wisconsin was doubtless worth \$10 per thousand, or \$5,000,000, and a tax of \$90,000 upon this timber would be at the rate of only \$0.018 on the dollar, not an excessive taxation. The carrying charge referred to in Canada was doubtless annual dues of \$5 per mile, which is the charge upon certain timber licenses issued by the Dominion. This is only a nominal charge, made for the purpose of ostensibly defraying the expenses of the dominion government in caring for its timber. All such timber is subject to taxation, and when the country in which it is located is opened up, local improvements are instituted, schools established, roads built, etc., then the carrying charge on the Canadian stumpage will not vary materially from that of any stumpage in the State of Wisconsin. In other words, the \$5 per square mile dominion annual dues is tantamount to our state tax as distinguished from our county, township, and school tax.

But this applies to only a comparatively small part of the timber of the Dominion. We have already stated what the charge is in

British Columbia, viz, \$115 to \$140 per mile, depending upon location, and, for the purpose of comparing generally the cost of carrying timber, I desire to make a part of this brief certain letters written to me which were incorporated in an argument submitted to the government of the Province of British Columbia for the purpose of convincing them of the excessiveness of their annual dues. These letters are as follows:

BROOKS-SCANLON LUMBER COMPANY.

In reply to your recent inquiry, wanting to know how the annual dues we pay on provincial timber limits in British Columbia compare with the taxes we pay on our timber lands in other localities, beg leave to advise that our annual dues in British Columbia are most excessive as compared with other localities in which we are interested in timber. One of our subsidiary companies owns 110,000 acres of timber land in Florida, another 90,000 acres of timber land in Louisiana, another 36,000 acres of timber land in Oregon, and another 3,000,000 acres (of which about 2,000,000 are timber), in the Bahama Islands. The following is a statement of taxes we pay per acre and per thousand in each locality, to wit:

Taxes per acre in Florida, \$0.029; Louisiana, \$0.101; Oregon, \$0.089; Bahamas, none; British Columbia, \$0.219.

Taxes per thousand in Florida, \$0.005; Louisiana, \$0.006; Oregon, \$0.004; Bahamas, none; British Columbia, \$0.0155.

A careful examination of above figures will show how unreasonable the annual dues in British Columbia are as compared with other localities.

Our British Columbia timber is all located in what is known as the "Coast district," and the average stand of timber in that territory is conceded to be about 9,000,000 per square mile, and our cost per thousand or per annum is based on that estimate. Our cost per thousand feet on the other timber is based on actual estimates and on the amount of taxes paid annually. In Florida, Louisiana, and Oregon we own the fee to the land as well as the timber and pay no royalty on the timber when it is cut and removed. As fast as the timber is cut and removed, the taxes on the cut-over lands are reduced very materially. The land in many cases is valuable for agricultural purposes when the timber is removed. We also own the coal, oil, and mineral rights of every nature in these States and are inclined to think in certain localities they are very valuable.

In this country our taxes are used so far as are necessary for the building of roads, construction of bridges, maintenance of schools, etc. The building of roads makes our timber more accessible and cheapens the cost of logging quite materially. The fact that schools are maintained in the neighborhood enables us to secure the best of labor.

As we understand it, the British Columbia taxes are used to defray the general expenses of the government, and it frequently happens that the owner of timber licenses or leases derives but little benefit from the annual taxes paid.

Yours, truly,

M. J. SCANLON.

S. H. BOWMAN LUMBER COMPANY.

Regarding your inquiry as to taxes on lands belonging to the Bowman-Hicks Lumber Company in the State of Louisiana, would say that we own two large tracts of timber in this State, taxes upon which for the year 1905 averaged \$108.83 per square mile; the year 1906 they averaged \$97.97 per square mile; for the year 1907 they were \$119.07 per square mile, or an average for the three years of \$108.29 per square mile. Taxes upon this land were mostly local taxes—that is, for the building of highways, support of schools, of town and county organizations, etc. Very little of the tax was state tax.

The average estimate of the timber in our entire holdings is 17,000 feet per acre, which is valued by us, and which could probably be sold for, \$60 per acre. Much timber similarly located and of the same quality has changed hands at this price. Upon this basis the average tax per thousand for the last three years has been \$0.01, or \$0.0028 of the value of the timber.

When we contrast this with our timber in British Columbia you will see what a vast difference there is. There we pay \$115 per square mile for timber which will not average over 4,000,000 to the mile, and which is not worth to exceed 50 cents per thousand. The annual dues which we pay in British Columbia are used exclusively

for the support of the general government and do not enhance the value of our property as they would if used for the construction of roads opening up our timber, for the establishment of schools, and for the maintenance of local governmental organizations. From the above it will be seen that the annual dues in British Columbia amount to \$0.029 per thousand feet per year, or \$0.057 of the fair value of the timber.

The timber of Louisiana is accessible to one of the best lumber markets in the world, and until the hard times of a year ago the manufacture in that locality was exceedingly profitable, quite in contrast to the business which we have been carrying on in British Columbia.

Very truly, yours,

S. H. BOWMAN, *President.*

ROGERS LUMBER COMPANY.

In compliance with your request it gives me great pleasure to give you herewith a table showing what it costs us to carry our timber lands in British Columbia as compared with our timber lands in the United States.

The lands we own in British Columbia are those tributary to Enderby, and the figures taken are, in the case of British Columbia, from the annual rental, and in the case of Crook County, Oreg., the taxes for the year 1907, and in the case of Bonner and Kootenai counties, Idaho, the taxes for the year 1906. These figures are taken from the records and are absolute.

Ten thousand and eighty acres of land in Crook County, Oreg., taxes \$823.82, or an average of \$8.17 per acre, land and timber.

Six hundred and forty acres of land in British Columbia, \$115 tax, or an average of \$17.9 per acre for the timber only, or \$9.73 per acre more in British Columbia than in the United States, or over twice the annual tax per acre in the United States.

Taking the actual estimate of timber on the above lands the Crook County timber costs \$0.00817 per thousand per annum and the British Columbia timber \$0.0257, or 1½ cents per thousand per annum more to carry the British Columbia timber (timber only) than to carry the Crook County, Oreg., timber and land.

I give you herewith our cost in Idaho, the counties being Bonner and Kootenai:

Nine thousand one hundred and eighty acres of land in Bonner County, Idaho, taxes \$657.87, or an average of \$7.01 per acre, land and timber.

Six hundred and forty acres of land in British Columbia, \$115 tax, or an average of \$17.09 per acre for the timber only, or \$10.08 per acre more in British Columbia than in the United States.

Taking the actual estimate of timber on the above lands the Bonner County timber costs \$0.0071 per thousand and the British Columbia timber \$0.0257, or 1.86 cents per thousand per annum, or three and one-half times more to carry the British Columbia timber (timber only) than to carry the Bonner County, Idaho, timber and land.

Four thousand two hundred and forty acres of land in Kootenai County, Idaho, taxes \$314.92, or an average of \$7.04 per acre, land and timber.

Six hundred and forty acres of land in British Columbia, \$115 tax, or an average of \$17.09 per acre for the timber only, or \$10.05 per acre more in British Columbia than in the United States.

Taking the actual estimate of timber on the above lands, the Kootenai County timber costs \$0.0049 per thousand, and the British Columbia timber \$0.0257, or 2.08 cents per thousand per annum, or five times more to carry the British Columbia timber (timber only) than to carry the Kootenai County, Idaho, timber and land.

In Crook County, Oreg., we can carry over 3,000 feet of timber, including the land, to every 1,000 feet of timber only in British Columbia.

In Bonner County, Idaho, we can carry 3,500 feet of timber, including the land, to every 1,000 feet of timber only in British Columbia.

In Kootenai County, Idaho, we can carry 5,000 feet of timber, including the land, to every 1,000 feet of timber only in British Columbia.

In the United States we own the fee, we get the advantage of any increment and any value in the lands and mineral when the timber is cut off, and we pay no royalty for the stumpage when cut. We own everything absolutely.

In the case of Bonner County and Kootenai County, Idaho, we can take the logs from the water and put the lumber into pile for from \$1 to \$1.50 per 1,000 less than we can do the same work in British Columbia.

We figure that the growth of the timber in the United States will more than pay the interest on the carrying charge, and the history of Minnesota as to the mineral

would indicate the possible value of some of the land after the timber has been removed.

In the United States we have an unlimited market for our product, while in Canada our market is very much restricted, as was demonstrated last year, of a very precarious nature.

Yours, truly,

A. R. ROGERS, *President.*

So much for the competition of Canadian stumpage.

TIMBER ENOUGH TO SUPPLY THE UNITED STATES ONLY THIRTY YEARS.

The most careful and the most hopeful estimates which have been made estimate the life of the standing saw timber of the United States to be thirty years. It is estimated that there is enough more in Canada to last fifteen years longer. I ask what the United States will do for its lumber supply after that time, and what will be our status thirty years from now should it be the policy of the Dominion government (as it doubtless would be if our timber were all gone) to place a prohibitive export duty upon lumber or to prohibit its exportation altogether.

Gross ignorance exists as to the time which is required to produce a saw log. In the case of cedar, it requires not less than one hundred and fifty years to produce the average tree of the Pacific coast, while much of the cedar there is from three hundred to five hundred years old. It requires seventy-five years to produce red fir large enough to manufacture, while yellow fir, which is a more mature red fir and from which the higher classes of lumber, such as flooring, is made, is at least one hundred and fifty years old. A white-pine saw log can not be produced in less than seventy-five years, and yellow pine will reforest itself in about fifty years, though the timber at that age will be of smallish size and not of the best quality. No steps have been taken toward reforestation, and it will doubtless be ten years before any general plan will be matured which will look toward the reforesting of any considerable portion of our cut-over areas. It is thus apparent that there will be a long interim between the time of the total destruction of our coniferous forests and the reforestation of the same. In the meantime is it not our duty to conserve our own forests in every way possible, and can it be denied that the drawing upon the forests of another country is at the present time the most effectual way of conserving our own? We think not.

CEDAR.

A pathetic presentation of the condition of the 434 shingle manufacturers of the State of Washington has been presented by Mr. John McMasters, of Seattle. He has himself referred to the fact that the cedar industry is confined to the most northwesterly part of the State of Washington. In fact, red cedar shingles and siding, which are used in almost every city and hamlet in the United States, are being subjected to an almost prohibitive duty in order to protect an industry confined to three counties.

And what is the extent of this tremendous industry to which he refers? He says their total capacity is 15,000,000 shingles per day. One single shingle machine employing two men has a maximum capacity of 35,000 per day and should cut 28,000 shingles on an

average. If there are 434 mills cutting 15,000,000 per day, the average daily cut per mill would be approximately 35,000, which would be equivalent to the output of one and one-fourth shingle machines. A shingle machine employs a machine man and a packer. So it is easy to see how limited, instead of how extensive, is this industry.

He further states that the difference in the cost of labor between shingles manufactured in British Columbia and in Washington is 15 cents per thousand. The work is piecework, and as a matter of fact the difference is $3\frac{1}{2}$ cents per thousand. This is from figures recently obtained by me for the purpose of determining a comparative cost, in order to ascertain the advisability of the construction of a mill.

The shingle industry in the State of Washington has not been a uniformly profitable one. The reasons are twofold: In the first place, the average shingle mill costs only from \$3,000 to \$10,000 to construct. Every man engaged in lumbering who has a desire to sell his own labor to himself becomes, therefore, a shingle manufacturer. He is usually a man of limited means, unable to own stumpage, and therefore at the mercy of the stumpage holder. Shingle logs during the year 1907 on Puget Sound averaged \$11 per thousand, while siding logs sold as high as \$17 per thousand. Many owners of cedar stumpage in Washington are now holding the same at \$5 per thousand, while the mill man, on account of the high price of logs, is compelled to manufacture his shingles from bolts cut out of stumps and old logs. The shingle manufacturer of Washington is at the mercy of the timber owner, and no matter how high the tariff may be put the timber owner will be the one who will reap the advantage, and not the manufacturer. It is true that cedar shingles have been shipped from British Columbia into the United States, but these are clear shingles, a quality not produced in the United States, the clear log being too valuable to use in shingle manufacture and being used for siding purposes.

TESTIMONY OF EDWARD HINES.

We can not conclude this argument without reference to the testimony of Edward Hines. Mr. Hines is reputed to be the largest lumber dealer in the world. He is an associate of Mr. Weyerhaeuser, and his testimony should at all times, by reason of the magnitude of his operations and his connections, be unassailable, and should carry with it that candor which this committee seemed to infer it possessed. The crux of Mr. Hines's argument was that Georgian Bay lumber could be laid down at all lake ports at \$1.75 per thousand, and could from there be distributed to the adjacent territory so cheaply that southern pine could not compete therewith, and in order to substantiate his claim he made a misstatement which should have been discovered by at least one member of this committee who claims to have southern pine interests and to be a practical manufacturer. Mr. Hines said that the weight of southern pine in the rough was $4\frac{1}{2}$ pounds per foot, or 4,500 pounds to the thousand, and all of his calculations as to the cost of transportation were based upon these figures. The fact is that commercial rough yellow pine, which for purposes of retail trade is sawed scant thickness (this refers to small dimension), weighs 2,700 pounds to the thousand, while the average

weight of this lumber when manufactured into flooring, drop siding, and surface boards will not exceed 2,200 pounds to the thousand feet. Note what bearing this has upon his argument.

He states on November 20, 1908, that the rate on yellow pine to St. Louis is \$8.10 per thousand, and therefore that it can not compete with Canadian lumber, which has cost only \$5.25 to transport to St. Louis. Now, see what a disparity between the figures given by him and the true fact. Dressed southern pine even shipped from New Orleans would cost only \$4.04 freight to St. Louis, while rough pine would cost \$4.86. He uses the same figures in arriving at a comparative cost of southern pine and Canadian lumber at Cleveland, Pittsburg, Chicago, and other places. It will thus be seen how wide of the mark are his statements.

I have already referred to the impression he conveyed as to the comparative cost of carrying stumpage in the United States and in Canada, and I desire to correct the further impression created by his testimony where it is stated that Mr. W. J. Young and Mr. Lamb, of Clinton, Iowa, have rebuilt their mills "nearer to the point of the timber in order to cheapen the cost of transportation." The fact is that the magnificent mills belonging to these two gentlemen, which at the time they were constructed were among the finest in the world, were destroyed, as has practically every other mill on the Mississippi below Minneapolis, because of the entire consumption of their timber supply.

CONCLUSION.

This is the case of the people of the United States versus the timber holders of the United States. It should be, and we trust it is, being submitted to a court and jury of open and unprejudiced minds. The question involved is greater than the welfare of any industry. The question is one which involves the protection of our forests—among the most beautiful of all God's creations. It is a question which has come home to almost every American citizen. Who is there who is not aware of conditions such as I now relate? I have traveled for 170 miles in Minnesota, through a district which at one time was a beautiful pine forest, and in that distance I have not been able to see a single logging operation, a single sawmill, or even a coniferous tree of size sufficient to produce a saw log. I have often traveled from Vancouver, B. C., to Portland, Oreg., a distance of 230 miles, through a region which twenty-five years ago was one of the grandest and most beautiful fir forests in the world, and in that entire distance I have not been able to see, with the naked eye, a coniferous tree measuring up to the needs of existing commerce. I have seen the lumber industry in Pennsylvania, Michigan, Wisconsin, and Minnesota recede until in some of the States the only industry there is is the manufacture of timber once scorned and left in the woods to die. I have seen the sawmills which at one time were found in almost every town and village on the Mississippi River north of St. Louis disappear. I have seen my home city of Minneapolis gradually recede from the proud position of the greatest lumber manufacturing center in the world, and have heard her lumbermen confess that in two years more there will be but two of the many sawmills of the city in operation. I have seen the price of stumpage advance by leaps and bounds until some of the most colossal fortunes of this

country have resulted therefrom. I have seen the cost of lumber, which enters into almost every avenue of life, advance beyond the increase in the cost of any other commodity used by man.

Is this an industry which needs nurturing at the hands of the Congress of the American people? Will it be safe to face the people after the promise of relief from tariff burdens with a schedule which cooperates in maintaining the high price of lumber? I believe not. And in my judgment, based upon a most careful survey of the situation and the feeling of the public pulse in all sections of this country, it will not matter what reduction is made in the other schedules of our tariff act if the duty is not entirely removed from lumber, people will not feel that this committee has acted in good faith.

The legislature of the great lumbering State of Wisconsin at its last session memorialized Congress for the removal of the tariff on lumber, and the Republican state convention of Minnesota (another great lumber State), held in July last, likewise adopted resolutions in favor of the removal of the tariff on lumber, and such action is indicative of the political sentiment of our people. The lumber industry does not need a tariff. The laborer engaged in the manufacture of lumber needs no protection from the higher-paid labor of Canada. Our forests do need conserving, and the most effectual way to bring about the same is to draw as freely as possible upon the forests of other countries. With the removal of the tariff this can be done, and done without injury to any American interest.

Respectfully submitted.

W. S. DWINNELL.

SUPPLEMENTAL BRIEF SUBMITTED BY A. R. ROGERS, OF MINNEAPOLIS, MINN., RELATIVE TO LUMBER.

MINNEAPOLIS, MINN., *December 1, 1908.*

HON. SERENO E. PAYNE,

Chairman Committee on Ways and Means, Washington, D. C.

DEAR SIR: May I be permitted to make the following statements supplemental to the testimony which I presented before the Committee on Ways and Means. These statements are in part based upon inquiry made of Mr. Knappen and myself, and also in part answer the statements made by Mr. Hines. If I may be permitted to add this, I would like to introduce the following material:

On Friday, November 20, 1908, Mr. Hill asked for a price list on lumber to consumers. The following list gives the price at which lumber is being sold to consumers in the vicinity of Lincoln, Nebr. I take that location for the reason that Lincoln is so situated as to put it in a position where it can buy lumber from all of the markets of the United States west of the Mississippi River, where the freight rates are nearly so equalized that the middleman or retailer is in position to take advantage of the entire producing market of the United States west of the Mississippi River. At this point yellow pine from the South, fir from the coast, white pine from Minnesota, and the pine from the inland empire or Spokane district meet, the lumber sold to the consumer being dependent on the price of the different commodities as made by the manufacturer. The prices are as follows:

Retail lumber prices at Lincoln, Nebr.

	Yellow pine.	Fir.	White pine.
2 by 4 to 2 by 12—12, 14, and 16 feet.....	\$24 to \$28	\$24 to \$28	\$30 to \$36
4 by 4 to 8 by 8—12, 14, and 16 feet.....	30 to 35		33 to 36
Fencing, rough.....	30 to 32	35 to 38	35 to 38
Fencing, rough.....	25 to 27	28 to 32	
Fencing, rough, all white pine, No. 1.....			40 to 45
Sheathing.....	24 to 26		24 to 26
Sheathing, No. 2, all white pine.....			30 to 32
Stock board, 1 by 12.....			32 to 34
Shiplap, No. 2.....	31 to 35		35 to 37
Shiplap, No. 1.....	26 to 28		34 to 36
C, select.....	28 to 30		
D, select.....			65
Common finish.....			55
Clear.....	50		50
No. 1 fencing, flooring.....			43 to 45
No. 2 fencing, flooring.....			36 to 40
Edge grain flooring, A.....	48 to 50	48 to 50	
Edge grain flooring, B.....	45 to 47	45 to 47	
Flat grain flooring, A.....	40 to 42		
Flat grain flooring, B.....	38 to 40		
No. 1 common.....	35 to 37		
No. 2 common.....	28 to 30		
Bevel siding No. 2 or C, select.....			35
Red cedar bevel siding, No. 2 or C, select, \$30 to \$33.			
Red cedar shingles, \$3.50.			
Lath, \$5.50 to \$6.			

There is a slight variation in the grade of the yellow pine and the white pine. Wherever possible I have provided for that.

Mr. Hill asked the writer for the price on a certain grade of lumber. In the price list above I have given that information.

LATH A BY-PRODUCT.

Some questions were asked of Mr. White regarding the cost of lath. In the manufacture of lumber lath is a by-product, and the manufacturer does not take the question of stumpage into consideration, for the reason that being a by-product the lath would have gone into wood or the burner if there was not some way of providing a market for this by-product. The manufacturer of lumber usually figures his lath in that way, and as a consequence the cost of lath to the manufacturer is nothing more than this labor plus cost of string and depreciation on machinery.

In a manufacturing plant in Minneapolis in which the writer was interested for a number of years, our average cost of making and piling lath from 1895 to 1903 was approximately 80 cents per thousand pieces. The cost of making lath since 1903 has not materially increased.

COST GREATER IN CANADA.

Manufacturing lath at Enderby, British Columbia, for 1907 cost approximately \$1 per thousand pieces. A portion of this increase in cost in Canada over the United States is due to the fact of our being compelled to use oriental labor, which, on account of its greater inefficiency, notwithstanding the lower grade of wages, increases our cost of production very materially. A comparison with the above figures shows a net reduction of 20 per cent in cost of production in favor of the United States.

MR. HINES'S TESTIMONY MISLEADING.

Mr. Hines testifies, in reply to a question by Mr. Hill, "I said from \$5 to \$10, to put the lumber from Hayward, Wis., to Buffalo, N. Y., by rail costs about \$7 per thousand." In analyzing this testimony we should take into consideration the natural way of shipping lumber from this point to Buffalo, which is not all rail, but, during the period of navigation, by rail from Hayward to Ashland (Lake Superior) and from Ashland to Buffalo by water. This entire transportation charge is less than \$4 per thousand. Admitting that it is necessary to ship a portion of the material from Hayward to Buffalo "all rail" during the winter months, Mr. Hines has taken the maximum cost of rough lumber, whereas a large part of the lumber so shipped is not rough lumber, but lumber manufactured into siding, flooring, surface boards, etc., on which the average weight would in all probability not exceed, when dry, 2,200 pounds per thousand which, at 27 cents per hundred pounds "all rail" rate would make an actual cost of \$5.90 for the average of all lumber.

A large portion of the lumber going to Buffalo and Tonawanda comes from Duluth and Cloquet, Minn. The transportation cost of this lumber, by water, from Duluth during the season of navigation, which is the time and manner in which fully 90 per cent of it is shipped, is \$2 per thousand feet, whether the lumber is green or dry. This is much less than the amount given by Mr. Hines.

In the manufacture of boxes the character of lumber most generally used is No. 4 and No. 5 boards, or low-grade lumber. Taking the average of two of the largest mills in the State of Minnesota, producing in each case 100 million feet per annum, the figures show that of the entire mill cut the No. 4 and No. 5 boards do not exceed 20 to 25 per cent. If we add to this the No. 3 boards so manufactured, only a small portion of which would go into the manufacture of boxes, and then only on account of the scarcity of No. 4 and No. 5, we would have an additional total of 15 per cent No. 3 boards, or No. 3 and poorer of 40 per cent. It must be understood, however, that all of these boards do not go into the manufacture of boxes, the building trade using a very considerable percentage of the stock above mentioned.

Several of the gentlemen who have testified heretofore have stated that the low-grade product of the log is 60 per cent. Our contention is that it is not to exceed 40 per cent in the case of pine and the percentage of box material in fir and yellow pine is so small as to be unworthy of comment.

WATER TRANSPORTATION AND LUMBER COST.

Mr. Hines speaks of the cheap water transportation from Canada, explaining some of his increase of cost price. Taking this literally it is liable to be misunderstood, due to the fact that the cheap water transportation from Canada is only from the mills to the distributing centers. Lumber from Canada destined to Tonawanda or Chicago goes into the wholesale yards at those points, where it is handled. After adding handling charges, duty and the profits of the middleman are added; it is finally distributed on the same transportation costs as lumber from the United States, and in most cases the

aggregate of the water-transportation charge, cost of handling, duty and profit to the middleman and freight to the retail dealer makes total transportation and handling charge at common points greater than the cost of a like material from the United States. This is especially true of United States lumber conveyed also by water to the centers.

Mr. Hines also speaks of the increase in the cost of lumber, and says, "As a matter of fact yellow pine has increased only an average of 5 per cent, or from 50 per cent to \$1.50 per thousand." Mr. Hines's experience is based on the Chicago market; our experience is that of the retailer, who must buy from the manufacturer and then sell direct to the ultimate consumer, whether farmer or local contractor.

YELLOW PINE ADVANCES \$4 PER THOUSAND.

In December, 1907, the company with which I am connected purchased a large amount of yellow-pine lumber from one of the principal manufacturing plants in the South for delivery at Lincoln, Nebr. Eleven months thereafter, or in November of this year, we purchased a similar grade of lumber, not from the same manufacturer, but from a manufacturer in the same district, and paid exactly \$4 per thousand more than we paid for the same lumber eleven months before. Our experience is that yellow pine has actually advanced not less than \$4 and in some instances more, during the last twelve months.

COAST LUMBER ADVANCING TOO.

In the case of lumber from the coast our experience is that the price of lumber at the coast mills has advanced from \$1 to \$2.50 per thousand since the 1st day of November of this year. Mr. R. L. McCormick, of Tacoma, Wash., in an interview in the American Lumberman under date of November 16, 1908, makes a like statement.

ERRONEOUS WEIGHT FIGURES.

Mr. Hines states that yellow-pine lumber from the South, in the rough, weighs $4\frac{1}{2}$ pounds per foot, and that the freight on same is \$11.50 per thousand feet. The official weights of dry lumber as published by the Yellow Pine Manufacturers' Association would indicate an entirely different condition of affairs. These weights on short-leaf pine are as follows: Flooring from 1,800 to 2,200 pounds per thousand feet, ceiling from 1,100 to 1,700 pounds per thousand feet, shiplap from 2,300 pounds per thousand feet, 2 by 4 to 2 by 8, S. I. S. and E., 2,500 per thousand feet.

As practically no rough lumber is shipped, it is necessary to quote the weight. By noticing the above you will see that the weights are about one-half those stated by Mr. Hines. The average rate of freight on yellow pine to St. Louis is 18 cents per hundredweight and to the most of the consuming territory from 22 to 26 cents per hundredweight. Taking the average weight of shipping lumber at 2,300 pounds per thousand feet, and 26 cents, the highest rate you have, a cost for transportation is \$6 per thousand feet instead of \$11.50.

COST OF LABOR.

Our company is manufacturing lumber in Canada, and we have also manufactured in the United States. In our Canadian operation we employ more or less oriental labor on account of our inability to secure white labor. We prefer the white labor at the increased cost which we are compelled to pay, and this increase brings the price per man to a higher price than we paid the same man in the United States. A number of the men we are using are men whom we formerly employed in the United States, and in every instance we have been compelled to pay them more money to work in Canada than in the United States. The inefficiency and incompetency of the oriental labor makes it the most expensive and most unsatisfactory labor which it is possible to employ. Our pay roll, which will be filed by Mr. T. M. Knappen, is evidence of this fact.

AS TO STUMPAGE VALUES.

Mr. Hines also states that fifteen years ago he paid \$3 per thousand for pine stumpage and that the same stumpage to-day would be worth only from \$6 to \$9 per thousand. He also says, in speaking of the profits on this stumpage, that if you take the original cost of \$3 and add 6 per cent interest for fifteen years you have added 200 per cent to the stumpage, which, when the taxes are added, does not leave much of any profit. As a matter of fact, 6 per cent interest, compounded, increases 140 per cent in fifteen years and not 200 per cent. His experience with this pine is quite different from that of the majority of owners of pine timber. In one instance a tract of timber comprising something over 100 million feet in the State of Minnesota was sold in 1899 for \$1.75 per thousand. The same timber is still standing and is to-day worth \$10 per thousand.

Mr. Hines states, in answer to the following question from Mr. Clark, "Is the lumber output of the United States greater at the present time than it was in 1897?" Answer. "No, sir." Mr. Hines is undoubtedly in error as to this, as the records in the government office will show. See page 6, Forest Products, No. 2, Department of Commerce and Labor, Bureau of the Census.

SOME OVERLOOKED FACTORS.

Mr. Hines, in answer to a question regarding the increase in price of pine, fails to take into consideration a number of very important factors. It is generally conceded by the lumber men that the greater economies in the manufacture of lumber due to the scarcity of low-grade boards have forced the manufacturer to saw the log closer, sort out material which has heretofore been burned and use it for lumber—to economize in every other known way, which, together with the improvements in methods and machinery during the time in question, have so operated to reduce the total cost of producing lumber that the writer is convinced that with the increased cost of production, as well as the other items discussed above, the lumber manufacturer of this country has nothing to fear from Canadian competition. The removal of the tariff would operate to conserve our forests, make a more uniform and a lower price to the

consumer, and would, on the whole, be to the advantage of all the people, and the writer earnestly requests that your committee recommend the entire abolition of the tariff on lumber, lath, shingles, and other forest products.

In response to a question by Mr. Hill, in which he speaks of the increase in the price of lumber being 46.9 per cent, this increase should be explained. As a matter of fact the woods principally affected by the tariff are the commercial woods—white pine, yellow pine, fir, hemlock, spruce, cypress, poplar, and red gum. If we take these woods into consideration the increase is much greater than 46.9 per cent, as is evidenced by the following percentages of increases taken from Circular No. 122, Agricultural Department, page 10: White pine, 45 per cent; yellow pine, 77 per cent; Douglas fir, 63 per cent; hemlock, 54 per cent; spruce, 59 per cent; western pine, 53.8 per cent; cypress, 64 per cent; poplar, 73 per cent; and red gum 64 per cent.

Mr. Hines states that if the tariff is removed the importation of low-grade lumber would be so great that the manufacturer in the United States would be compelled to leave the tops and low-grade stuff in the woods. On this point the writer takes issue. Is it reasonable to suppose that with manufacturers of lumber using every known means to manufacture more of the low-grade lumber by sorting out the box material from the wood pile they would leave in the woods tops which, in every instance, contain more or less merchantable lumber?

HIGH PRICES AND CONSERVATION.

A number of the gentlemen testifying have stated that the only way to conserve our forests is through the means of high-priced lumber. This is not borne out by the facts in the government reports. There has been an increase in the price of lumber in seven years of 49 per cent, and during that entire period there has been a steadily increasing consumption of lumber. If the high price of lumber has not tended to conserve our forests, a still higher price would not do so, excepting by making the price prohibitive and thereby stopping all other industries dependent on lumber for their support.

In conclusion the writer is of the opinion—

First. That the statement that the increased cost of production in the United States makes it impossible for the United States manufacturer to compete with the Canadian is not correct. Second. That the low-grade boards of Canada would not so interfere with the lumber of this country as to make manufacturing unprofitable. Third. That taking into consideration the increased quantity of lumber produced from the log, the difference in the method of manufacture, with the increased demand for low-grade boards at a profit the manufacturer of lumber is more than compensated for any slight increase in the rate of wages paid, and that the actual cost of production at the present time is less than it has ever been before. Fourth. That the price of lumber would not be so depressed as to be disastrous to the United States manufacturer.

EXHIBIT A.

A. R. Rogers's sawmill, Enderby, British Columbia—Wage schedule for 1907.

SAWMILL.

Day crew:

Foreman.....	per month..	\$150. 00
Filer.....	per day..	7. 00
Sawyer.....	do....	7. 00
Millwright—		
One.....	do....	4. 50
Two.....	do....	4. 00
One.....	do....	3. 75
Two.....	do....	3. 50
Setter.....	do....	3. 50
Edgerman.....	do....	3. 50
Edgerman's helper.....	do....	3. 00
Resawyer.....	do....	3. 00
Oiler.....	do....	3. 00
Blacksmith.....	do....	3. 00
Millwright.....	do....	3. 00
Trimmer.....	do....	2. 75
Filer's helper.....	do....	2. 75
White laborers, 12.....	do....	2. 50
Japanese laborers, 5.....	do....	2. 35
White laborers, 2.....	do....	2. 25
White laborers, 2.....	do....	2. 00
Chinese laborers, 3.....	do....	1. 90

Night crew:

Foreman.....	per month..	100. 00
Sawyer.....	per day..	7. 00
Filer.....	do....	6. 00
Setter.....	do....	4. 00
Edgerman.....	do....	3. 25
Resawyer.....	do....	3. 00
Oiler.....	do....	3. 00
Edgerman's helper.....	do....	2. 75
Trimmer.....	do....	2. 75
White laborers, 6.....	do....	2. 50
Japanese laborers, 5.....	do....	2. 35
Hindoo laborers, 2.....	do....	2. 00
Chinese laborer, 1.....	do....	1. 90

ENGINE ROOM.

Day crew:

Engineer.....	per month..	140. 00
Fireman.....	per day..	2. 75

Night crew:

Engineer.....	per month..	90. 00
Fireman.....	per day..	2. 75

PLANING MILL.

Day crew:

Foreman.....	per day..	4. 00
Planer men—		
Two.....	do....	2. 75
Four.....	do....	2. 50
Japanese grading bench, 6.....	do....	2. 35
Chinese, 1.....	do....	1. 90

Night crew:

Foreman.....	do....	3. 50
Planer men—		
Two.....	do....	2. 75
Four.....	do....	2. 50
White laborers, 2.....	do....	2. 50
Japanese laborers, 7.....	do....	2. 35

SORTING SHED.

Day crew:		
Grader.....	per day..	\$2. 25
Hindoo, 1.....	do.....	2. 00
Chinese, 6.....	do.....	1. 90
Night crew:		
Graders, 2.....	do.....	2. 50
Chinese, 6.....	do.....	1. 90
Japanese, 1.....	do.....	2. 35

LATH MILL.

Day crew:		
Foreman.....	per day..	2. 75
Laborer, 1.....	do.....	2. 50
Chinese laborers, 4.....	do.....	1. 90
Night crew:		
White laborers, 2.....	do.....	2. 50
Chinese laborers, 3.....	do.....	1. 90
Shipping crew:		
Foreman.....	per month..	100. 00
Grader.....	per day..	3. 25
Teamsters, 2.....	do.....	3. 50
Loaders, 3.....	do.....	2. 50
Chinese Loaders—		
One.....	do.....	1. 90
One.....	per month..	60. 00
Miscellaneous day crew and night crew:		
Teamsters and head stableman	do.....	90. 00
Stablemen.....	per day..	2. 50
Transfer cars—		
One.....	do.....	2. 50
One.....	do.....	2. 25
Teamster, 1.....	do.....	2. 50
Hindoos—		
Five.....	do.....	1. 75
Five.....	do.....	1. 50
Pond men.....	do.....	3. 00
Transfer cars, 2.....	do.....	2. 50
Night watchman.....	do.....	2. 25
Teamster, 1.....	do.....	2. 50

Bowman Lumber Company (Limited) daily report, Revelstoke Mill, British Columbia, May 26, 1908.—Cost of production by departments.

SAWMILL.

	Number.	Per day.	Amount.
Foreman.....	1	\$6. 00	\$6. 00
Log deck.....	1	2. 25	2. 25
Sawyer.....	1	6. 00	6. 00
Tail saw.....	1	2. 25	2. 25
Setters.....	1	3. 00	3. 00
Edgers.....	1	3. 25	2. 25
	1	4. 00	4. 00
	1	2. 00	2. 00
Trimmers.....	1	2. 25	2. 25
	1		
Slasher.....	1	2. 00	2. 00
Fillers.....	1	6. 00	6. 00
Grader.....	1	3. 00	3. 00
Millwrights.....	1	3. 50	3. 50
Engineers.....	1	4. 00	4. 00
Chainmen.....	2	2. 00	4. 00
Railway men.....	2	2. 25	4. 50
Watchman.....	1	2. 50	2. 50
Oil expense.....			. 85

Bowman Lumber Company (Limited) daily report, Revelstoke Mill, British Columbia, May 26, 1908.—Cost of production by departments—Continued.

PLANING MILL.

	Number.	Per day.	Amount.
Foreman.....	1	\$4.00	\$4.00
Machine men.....	1	2.75	2.75
	2	2.25	4.50
Laborers.....	1	2.10	2.10
	2	2.00	2.00
Laborers (oriental).....	1	1.75	1.75
	2	1.50	3.00
Oil expense.....			.60
Yard and loading:			
Foreman.....	1	4.00	4.00
Loaders.....	1	2.25	2.25
	2	2.00	4.00
Pilers.....	2	2.00	4.00
Pilers (oriental).....	2	1.50	3.00
Graders.....	2	2.50	5.00
Bundler and grader.....	1	2.00	2.00
Teamster.....	1	2.00	2.00
Dry kiln (oriental).....	1	1.50	1.50

Arrow Lakes Lumber Company (Limited), Arrowhead, B. C.—Average wages paid, season 1907.

Sawmill:

Foreman.....	\$5.50
Millwright.....	4.17
Millwright (helper).....	3.00
Band sawyer.....	6.50
Setter.....	3.75
Dogger.....	3.00
Tail sawyer.....	2.655
Scaler on log deck.....	3.00
Roller on log deck.....	2.50
Gang sawyer.....	4.50
Cant setters.....	2.75
Edgers.....	4.375
Jackers for edgers.....	2.75
Trimmers.....	3.25
Lumber tallier.....	2.75
Slashers.....	2.75
Markers on transfer.....	2.75
Pulling off transfer.....	2.12
Oilers.....	2.50
Engineer, chief.....	4.50
Engineer, assistants.....	3.10
Head filer.....	12.00
Assistants.....	3.50
Conveyer.....	2.25
Burner tender.....	2.65
Mill boom.....	2.70
Cart teamsters.....	2.50
Laborers—	
White.....	2.50
Oriental.....	2.00
Watchman.....	2.50
Machinist.....	4.00
Blacksmith.....	4.00
Blacksmith, assistant.....	2.75
Carpenter.....	3.00
Handy man.....	2.75

Planing mill:

Foreman.....	5.67
Helpers.....	3.125
Grader.....	3.85
Trimmer men.....	3.00
Feeders.....	2.75
Tailers.....	2.00
Stickers.....	2.00

Shipping:	
Head shipper.....	\$3. 85
Tallymen.....	2. 75
Laborers.....	2. 50
Tugboat:	
Captain.....	3. 60
Engineer.....	3. 10
Deckhand.....	2. 75
Woods:	
Walking boss.....	5. 70
Camp foreman.....	4. 55
Cook.....	3. 25
Teamsters.....	3. 82
Sawyers.....	2. 43
Bull cook.....	2. 20
Swampers.....	2. 24
Blacksmith.....	3. 00
Clerk and scaler.....	2. 82
Driving camp:	
Foreman.....	5. 70
Drivers.....	3. 70
Cook.....	3. 25
Piling:	
Head piler.....	3. 20
Laborers.....	2. 50
Tram teamsters.....	2. 75

Average wages paid at the mills of the Elk Lumber Company, at Fernie, British Columbia, and of the Red Deer Lumber Company, at Barrows, Saskatchewan, for the years 1903 to 1908, inclusive.

	MILL.	Per day.
Band sawyers.....		\$7. 50
Gang sawyers.....		4. 50
Tail sawyers.....	2. 50 to	3. 00
Edger men.....	3. 00 to	3. 75
Trimmer men.....		3. 25
Setters.....		3. 75
Carriage riders.....		3. 00
Helpers on trimmer.....		3. 00
Transfer men and laborers.....	2. 00 to	2. 60
Band filer.....		8. 50
Round saw and gang filer.....		7. 00
Millwrights.....		4. 00
Engineer.....		4. 00
Fireman.....		3. 00
Blacksmith.....		3. 75
Machinists.....		3. 75
Boom men.....		3. 25
Laborers.....		2. 50
Watchmen.....		2. 50
Grader.....		2. 75
Sorters and transfer men.....		2. 25
Lumber pilers.....	2. 25 to	2. 75
Laborers in yard and loading cars.....		2. 25
Oilers in mill and planing mill.....		2. 75
Planing mill:		
Machine feeders.....	2. 50 to	3. 50
Helpers.....		2. 25
Teamsters.....		2. 50
Carpenters.....		4. 00
Helpers.....		2. 50
Manager.....	^a 4, 000. 00	
Mill foreman.....	^a 1, 500. 00	
Yard foreman.....	^a 1, 500. 00	
Bookkeeper.....	^a 1, 200. 00	
Timekeepers and clerks.....	^b 60. 00 to	85. 00

^a Per year.

^b Per month.

LOGGING CAMP.

	Per day.
Loaders	\$2. 80
Swampers	1. 85
Sawyers	2. 25
Teamsters	2. 35
Railroad men	2. 50
Stable boss	2. 60
Hook men	2. 25
Blacksmith	3. 40
Filer	3. 00
Camp tender	2. 25
Railroad laborers	2. 05
Cook	3. 40
Cookees	2. 25
River men	3. 00
Clerks	3. 00
Foreman	4. 35
Teams without drivers	3. 00

Wage scale for season of 1908—Keewatin Lumber Company (Limited), Keewatin, Ontario.

Boom and lake:

Foreman assorting logs and setting to slip for day and night run	per month	\$58. 50
1 man at foot of band saw slip	per day	1. 75
1 man at foot of T. B. saw slip	do	1. 75

Sawmill:

1 man jacking logs and rolling down for band saw	do	1. 75
1 man twin-band sawyer	do	3. 50
1 man band sawyer	do	6. 00
1 man setter on band	do	2. 50
1 man carriage rider	do	2. 25
1 man twin-band log setter	do	1. 75
1 man twin-band tail sawyer	do	1. 80
1 man twin-hand tail sawyer	do	1. 70
1 man band-tail sawyer	do	1. 80
2 slab attendants from band to resaw	do	1. 50
2 slab attendants from twin band to resaw	do	1. 60
1 man resaw feeder	do	2. 00
2 men resaw tail sawyers	do	1. 75
1 man setting cants for gang	do	2. 50
1 man setting cants (helper)	do	2. 25
1 man gang sawyer (day)	do	4. 00
1 man gang sawyer (night)	do	3. 00
2 men shim puller for gang	do	1. 80
1 man gang edger	do	2. 75
1 man gang edger (helper)	do	1. 75
1 man resaw edger	do	2. 25
1 man band edger	do	2. 50
3 men edging catchers back of edgers	do	1. 60
1 man on transfer to trimmer and cutting railroad ties	do	1. 60
1 man pull saws on trimmer and change trimmer saws	do	2. 50
1 man head end of trimmer	do	2. 25
1 man tail end of trimmer	do	1. 80
1 boy carrying water for whole mill	do	1. 10
1 man slasher and attendant	do	1. 75
1 man, extra, on sawing floor and oiler	do	1. 75
1 sawmill foreman; must thoroughly understand lumber grades, also keep sawmill time	per month	100. 00
1 millwright who, with oiler, must help attend gang	do	100. 00
1 oiler and lubricant attendant	do	50. 00
1 chief engineer and electrician	do	100. 00
1 fireman	do	55. 00
1 man cleaning up downstairs	per day	1. 60

Filing rooms:

1 man, head band filer for band, twin band, and resaw, for day and night runs	per day	\$8.00
1 assistant band filer	do	3.50
1 assistant band filer (nights), file slasher, and trimmer saws	do	2.50
1 gang filer, day and night runs	do	6.00
1 assistant gang filer (nights) and file edger saws	do	2.50

Lath mill:

1 man foreman and filer for day and night runs	per month	100.00
1 man pushing bolts	per day	2.25
1 man pushing bolts	do	2.00
1 boy pushing lath	do	1.75
1 man pulling lath	do	2.00
1 man tying lath	do	2.00
2 men picking lath stock	do	1.75
2 men picking edgings for wood	do	1.75
1 man tying edgings for wood	do	1.75
1 man picking slabs at burner	do	1.75
1 man cleaning up about mill (outside) and attend to conveyors and burner, from 6 a. m. to 6 p. m.	per day	1.75
1 night watchman for planing mill, sawmill, barn, office, and sawmill yard, from 6 p. m. to 7 a. m., and raise steam in planing mill	per day	1.80
1 Sunday watchman, same as above, from 6 a. m. to 6 p. m.	do	1.60

(All watchmen to report ten minutes before their work time.)

Assorting shed (marking, grading, and loading on trucks):

1 man head marker	per day	2.00
1 man helper	do	1.75
8 men pulling off chains	do	1.75
1 man scaler	do	1.80
1 man driving switch horse	do	1.60
1 man driving slab team	do	1.75

Planing mill:

Foreman (do his own filing and grinding)	per month	80.00
Engineer and fireman, eleven hours per day	do	50.00
Man feeding surfacer	per day	1.85
Men feeding machine or resaw	do	1.75
Cleaning surfacer	do	1.65
Men clearing matchers or resaw	do	1.50
All other help when necessary	do	1.60
Boy switching trucks and horse	do	1.50

(No extra man will be allowed for grinding or oiling, etc.)

Yard and shipping:

1 foreman to look after all yard work for day and night runs, also grading in and out of yard, and to be at sawmill when night crew begins work, and inspect sorting shed and assist in getting shed crew in good working order	per month	100.00
1 shipping clerk, platform and yard salesman	do	60.00
Select sorter	per day	2.00
Flooring and siding sorter	do	1.90
All other yard help	do	1.65

Piling green lumber:

8 feet and longer	per M.	.15
6 feet and shorter	do	.20
Building foundations and repairing trams, etc.	per day	1.90

Barn:

Foreman	per month	55.00
Two-horse teamster	per day	1.70
1 horse or switch teamsters	do	1.50

Blacksmith:

1 blacksmith	per month	70.00
1 machinist	do	75.00
1 wagon maker	do	60.00
1 general timekeeper	do	50.00

Statement of Small & Bucklin Lumber Company, of New Westminster, B. C., giving wage schedule and attesting underselling of Canadian lumber by Americans in Canadian markets.

Logging camp:

Hook tender	per day	\$6. 00	
Fallers and buckers	do	4. 00 to	\$4. 50
Engineer, second class	per month	100. 00	
Teamsters	do	110. 00	
Signalmen	per day	3. 50	
Rigging slinger	do	3. 50 to	4. 00
Swampers	do	3. 00	

Mill Men:

Sawyer	do	6. 00 to	7. 00
Filer and helper	do	10. 00 to	12. 00
Engineer, fourth class	per month	100. 00 to	150. 00
Firemen	per day	2. 50	
Edger man	do	4. 00	
Sizer man	do	3. 50	
Resaw man	do	3. 50	
Planer foreman	per month	125. 00	
Millwright	per day	3. 50	
Blacksmith	do	3. 50	
Common labor	do	2. 00	

All of the above mill men with one or two exceptions came here from Washington and consequently we were obliged to offer them when they came here looking for positions better than they could do at home, as they informed us that that was the reason of their looking up work on this side, as they preferred to live in Washington; but we considered this class of operatives much more efficient and economical than we were able to secure elsewhere, and I think all the mills here have found the same result and were anxious to secure any such skilled workmen from Washington that came here looking for positions, at least such was the condition among mill men until the depression last fall.

The oriental labor employed is cheaper than the white for common work per day as to price, but we do not consider it more economical, on account of the lack of efficiency except for light work; but this class of help for common yard work was all we were able to secure. Our superintendent is from Washington and has had many years of experience in Wisconsin, Washington, and in the South, and confirms this opinion and says that the cost of operation is more here than in Washington. The duty on machinery coming from the other side is $27\frac{1}{2}$ per cent, so that we figure total cost of construction is at least 25 per cent more here than in Washington. Nearly all the heavy machinery used here comes from the United States, and we feel it necessary to use it in order to compete in our own markets, as the Washington mills undersell us at many places in the Canadian market. The Washington mills even pay duty on some of the upper grades and undersell us in the Winnipeg territory markets. Their product is now being sold in Vancouver, B. C., within 12 miles of us, and they are now shipping large quantities of fir doors to this market upon which there is a Canadian duty of 25 per cent.

EXHIBIT B.

Reports of cost of lumber production at British Columbia mills.

REPORT ON COST OF PRODUCTION.

I. 1. Name of company, W. F. Huntting Lumber Company.

2. Location of mills, Vancouver, British Columbia.

3. Daily capacity, 75,000 feet.

II. Wages in normal times.

1. Mills. (Please use accompanying blank. Fill in Canada column anyhow, and United States column if you possess any information on that point.)

2. Logging.

III. Cost of construction of mills, general equipment, and machinery, as compared with United States. Are they approximately more or less, and about what per cent?—Am not familiar enough with what is paid in the United States as to wages and material used in construction, but as to machinery and general equipment, we bought same in the United States and had to pay from 25 to 35 per cent duty.

IV. Cost of logging equipment, cables, donkey engines, railroad, food supplies, etc., as compared with average United States prices. Is it more or less, and approximately what per cent?—We do not do any logging.

V. If you use orientals for common labor, please explain why they are used in preference to white labor.—We used orientals because they are here. This is the only reason I can give.

VI. Considering results, how does oriental compare with white labor? Is it cheaper or more expensive?—I can not intelligently answer this question, but I believe that with plenty of white labor and wages normal better results can be gotten with white labor.

VII. If you can, give the approximate difference between prices of cedar and fir logs in British Columbia and Puget Sound points at the present time, and also in normal times.—I understand that fir logs are cheaper on Puget Sound by a couple of dollars and cedar logs higher by about \$4.

VIII. General remarks.

W. F. HUNTTING LUMBER COMPANY,
J. A. MCKIRCHER, *Manager*.

Rate of wages paid at W. F. Huntting Lumber Company's sawmills, British Columbia.

Foreman	per month	\$125. 00
Sawyer	per day	4. 50
Millwright	do	4. 00
Setter	do	3. 00
Edgeman	do	3. 50
Trimmer (we trim on swing saw), 2 Japanese	do	1. 75
Sorters, Hindoos	do	1. 00
Lath-mill foreman	per M	. 65
Stock picker	per day	2. 00
Slab men (1 white and 2 Hindoos, \$1)	do	2. 00
Filer	do	6. 00
Filer's helper	do	3. 00
Engineer	per month	110. 00

Fireman	per day	\$2. 50
Dry-lumber grader	do	2. 25
Blacksmith	do	3. 25
Oiler	do	2. 00
Yard men, foremen (both Hindoos and Japanese)	per month	90. 00
Teamsters	per day	2. 50
Planing-mill foreman	per month	125. 00
Planer feeders	per day	2. 25
Planer feeders' helpers	do	1. 00
Shipping-yard foreman	per month	90. 00
Car loaders	per day	2. 00
Common yard labor (white)	do	2. 00

Common labor (Chinamen, Japanese, Hindoos), we have an army; one-third white could do the work.

REPORT ON COST OF PRODUCTION.

I. 1. Name of company, B. F. Graham Lumber Company.

2. Location of mills, Victoria, British Columbia.

3. Daily capacity, 30,000 to 40,000, ten hours.

II. Wages in normal times, \$2.50 to \$5.

1. Mills. (Please use accompanying blank. Fill in Canada column anyhow, and United States column if you possess any information on that point.)

2. Logging—Very expensive; all white labor, \$3 to \$6 per day. All supplies for logging camp (not machinery) 30 per cent higher than in United States.

III. Cost of construction of mills, general equipment, and machinery as compared with United States. Are they approximately more or less, and about what per cent?—More, by 30 per cent.

IV. Cost of logging equipment, cables, donkey engines, railroad, food supplies, etc., as compared with average United States prices. Is it more or less; approximately what per cent?—Not counting cables, which are about the same price as United States, cost of equipments 25 to 30 per cent more than United States.

V. If you use orientals for common labor, please explain why they are used in preference to white labor.—For common labor a great many Chinese and Japanese employed by sawmills; wages about the same as white labor in United States and will not do as much work.

VI. Considering results, how does oriental compare with white labor? Is it cheaper or more expensive?—More expensive.

VII. If you can, give the approximate difference between prices of cedar and fir logs in British Columbia and Puget Sound points at the present time and also in normal times.—About the same at all times.

VIII. General remarks: We sold our sawmill at Victoria last spring, only operating our logging camps at present time. Duty on lumber and other forest products between Canada and United States should be removed; in fact, on all goods between the two countries. Canada should remove all restrictions on all timber and logs going to United States.

B. F. GRAHAM LUMBER COMPANY (LIMITED),
C. B. BETTERTON, *President*.

REPORT ON COST OF PRODUCTION.

- I. 1. Name of company, Vancouver Lumber Company (Limited).
2. Location of mills, Vancouver, British Columbia.
3. Daily capacity, about 125,000 feet, ten hours.
- II. Wages in normal times, common labor \$1.50 to \$2.25 per day.
1. Mills. (Please use accompanying blank. Fill in Canada column anyhow, and United States column if you possess any information on that point.)
2. Logging.—We do not do any logging.
- III. Cost of construction of mills, general equipment, and machinery as compared with United States. Are they approximately more or less, and about what per cent?—35 to 40 per cent more than in United States.
- IV. Cost of logging equipment, cables, donkey engines, railroad, food supplies, etc., as compared with average United States prices. Is it more or less; approximately what per cent?—About the same as cost of mill construction.
- V. If you use orientals for common labor, please explain why they are used in preference to white labor.—It is almost impossible to get efficient white labor.
- VI. Considering results, how does oriental labor compare with white labor? Is it cheaper or more expensive?—We would much prefer good white labor at \$2.25 to \$2.50 per day to orientals at \$1.25 to \$1.75.
- VII. If you can, give the approximate difference between prices of cedar and fir logs in British Columbia and Puget Sound points at the present time and also in normal times.—Prices of logs are generally about the same on both sides of the line. Sometimes cedar logs are a little cheaper in British Columbia, but not very much.
- VIII. General remarks: We have had no actual experience in milling in the States of Oregon, Washington, and Idaho, but from our general observation and information during the last four and a half years we think lumber can be manufactured over there from 50 cents to \$1 per thousand cheaper than in British Columbia. Our experience before coming here was in the yellow-pine district of the South, where white and negro labor is used, and we find that the cost of production is much more here. Our mill supplies cost more over here by about 33½ per cent.

VANCOUVER LUMBER COMPANY (LIMITED).

Rate of wages paid at Vancouver Lumber Company (Limited) sawmills, British Columbia.

Foreman	-----per month--		\$2. 00
Sawyer	-----per day--	\$6. 00 and	6. 50
Millwright	-----do-----	4. 50 to	5. 00
Setter	-----do-----	3. 00 to	3. 50
Edgerman	-----do-----	3. 50 to	4. 00
Edgerman helper	-----do-----	3. 00 to	3. 50
Trimmer	-----do-----		4. 00
Lath-mill foreman	-----do-----		4. 00
Filer (furnishes his helpers, but we furnish all supplies)	-----per day--		16. 00
Common labor	-----do-----	1. 50 to	2. 25
Engineer	-----per month--	125. 00 to	150. 00
Engineer assistant	-----per day--	3. 00 to	3. 50

Fireman	per day	\$2. 50 to	\$3. 00
Dry-lumber grader	do		3. 00
Blacksmith	do		3. 50
Planing-mill foreman	per month	125. 00 to	150. 00
Planer feeders	per day	2. 25 to	2. 50
Shipping-yard foreman	per month		125. 00
Car loaders	per day	2. 00 to	2. 25
Common yard labor (white)	do	2. 25 to	2. 50

REPORT ON COST OF PRODUCTION.

I. 1. Name of company, Victoria Lumber and Manufacturing Company (Limited).

2. Location of mills, Chemainus, British Columbia.

3. Daily capacity, 250,000 feet in ten hours.

II. Wages in normal times.

1. Mills. (Please use accompanying blank. Fill in Canada column anyhow, and United States column if you possess any information on that point.)

2. Logging.—Wages paid in logging camps normally the scale paid on Puget Sound, but when men are scarce we have to pay slightly higher wages.

III. Cost of construction of mills, general equipment, and machinery, as compared with United States. Are they approximately more or less, and about what per cent?—Cost of machinery, equipment, etc., higher on this side. As most of machinery is built in United States, should say that cost would be about 10 per cent higher on this side.

IV. Cost of logging equipment, cables, donkey engines, railroad, food supplies, etc., as compared with average United States prices. Is it more or less, and approximately what per cent?—Cost of logging engines and railroad supplies about the amount of duty higher, viz, 27½ per cent. Food, wire rope, and general tools and supplies will average about 10 per cent higher than in United States.

V. If you use orientals for common labor, please explain why they are used in preference to white labor.—Use some Japs and Chinamen as common laborers; white labor not to be procured.

VI. Considering results, how does oriental compare with white labor? Is it cheaper or more expensive?—Oriental labor is better than the tramp white labor, but good steady white men will do a good deal more than orientals. In our experience, while wages to orientals are cheaper, the final results do not show a gain by employing orientals.

VII. If you can, give the approximate difference between prices of cedar and fir logs in British Columbia and Puget Sound points at the present time and also in normal times.—Prices of logs depend largely upon local conditions, but should say the average for a year would show the cost of logs on this side about 10 per cent cheaper than on Puget Sound, but if demand for lumber is heavy in British Columbia, price is nearly equal.

VIII. General remarks: Cedar logs are usually cheaper in British Columbia on account of there not being sufficient cedar and shingle mills to use up what cedar logs are put in the water when logging fir; this condition is gradually disappearing as more cedar and shingle mills are being erected.

VICTORIA LUMBER & MANUFACTURING COMPANY (Limited),
E. J. PALMER, *Manager*.

*Rate of wages paid at Victoria Lumber and Manufacturing Company (Limited)
sawmills, British Columbia.*

Foreman	per year	\$2,000. 00
Sawyer	per day	5. 50
Millwright	do	3. 50
Setter	do	2. 75
Edgeman	do	3. 25
Edgeman helper	do	2. 50
Trimmer (oriental)	do	1. 65
Sorters	do	1. 25 to 1. 50
Lath-mill foreman	lath cut by contract; for } per thousand	. 80
Bolter and helper		
Stock picker		
Slab men		
do	Filer	7. 00
do	Filer helper	3. 00
Common labor:		
White	per day	2. 50
Oriental	do	1. 25 to 1. 50
Engineer	do	3. 00
Engineer, assistant	do	2. 75
Fireman	do	2. 50 and 2. 75
Dry-lumber grader	do	1. 75
Blacksmith	do	3. 25
Oiler	do	1. 50
Yardmen:		
Foreman	per month	80. 00
Laborers (oriental)	per day	1. 25
Teamsters	per month	50. 00 to 60. 00
Planing-mill foreman	per day	4. 00
Planer-readers' helpers	do	1. 50 to 2. 50
Shipping-yard foreman	do	2. 75

Car loaders and common labor, mostly all oriental, wages run from \$1.25 to \$1.65 per day.

EXHIBIT C.

Wage scale, Lamb-Davis Lumber Company, Leavenworth, Wash., 1908.

Mill employees:		
Foreman	per month	\$150. 00
Millwright	per day	3. 25
Deckman	do	2. 75
Sawyers	do	6. 00
Setters	do	3. 50 and 3. 75
Doggers	do	2. 75 and 3. 00
Offbearers	do	3. 00
Oilers	do	3. 00
Trimmmen	do	2. 75
Edgermen	do	3. 50 and 3. 75
Splashermen	do	2. 75
Filer, contract, 2 double-cut band	do	15. 00
Laborers	do	2. 50
Watchman	do	2. 75
Yard men:		
Foreman	per month	115. 00
Chain sorters	per day	3. 00
Sort at chainmen (Japanese)	do	1. 85
Teamsters	do	2. 75
Shipping clerk	per month	100. 00
Lumber graders	per day	3. 00
Car loaders	do	2. 50
Tallymen	per month	75. 00

Planer mill:

Foreman	per month--	\$115.00
Feeders	per day--	2.75
Tailers	do	2.50
Filer	do	4.50

River men:

Drivers	do	3.75
Pond men	do	2.75
Woodsmen, swamper	do	2.75
Teamsters and cutters	do	3.00

Wages paid by Spokane Lumber Company, Milan, Wash.

	1907 ^a .	1908 ^a .
Saw mill foreman and millwright	\$100 per month	\$90 per month.
Chief engineer of whole plant and kilns	\$100 per month	\$100.
Other engineer, night and day, saw and planing mill	\$2.75 and \$3.	\$2.50 (day of ten hours).
Sawyer	\$6 and board	\$6 (no board).
Filer	\$6 (ten hours)	\$6 (ten hours), when run nights, \$4 extra. He pays his helper \$2.50 to \$3.
Setter	\$3.	\$3, does it all.
Carriage rider	\$3 (changed with setter)	\$2.50, tail end only.
Offbearer (tail saw)	\$2.50 and \$2.75	\$2.25.
Edger man	\$3.50	\$3.
Tail edger and slasher tender	\$2.25	\$2.
Tail trimmer	\$2.25	\$2.
Trimmer	\$2.75	\$2.50.
Lumber marker on chains	\$2.75 and \$3.	\$2.50.
Sorters	\$2.25	\$2.
Lathman	\$3.50	\$3.
Bolter and helper	\$2.75 and \$3.	\$2.50.
Stock picker	\$2.25	\$2.
Slab men	\$2.25	\$2.
Watchman	\$2.25 (no board)	\$2 and board (special man, here seven years).
Fireman	25 cents per hour (twelve hours)	22½ cents per hour (twelve-hour shifts).
Fireman helper when necessary	22½ cents per hour	20 cents per hour.
Teamster on green lumber into yard	25 cents per hour	22½ cents per hour (ten-hour shifts).
Kiln men	\$2.50	\$2.25.
Dry lumber shed, grader and sawyer	\$2.50	\$2.25.
Blacksmith	\$3.50	\$3.
Oilier and foreman's helper	\$2.50	\$2.
Yardmen	\$2.50	\$2.25.
Lumber pilers, contract	30 cents per 1,000	25 cents per hour and 2 cents bonus at end of year.
They pay their help 25 cents to 27½ cents per hour this year. In 1907 paid 30 and 32½ cents.		
Dry-lumber teamster	\$2.25	\$2.
Wagon loaders (for shipment or to planers)	\$2.25	\$2.
Planing-mill foreman	\$90 per month	30 cents per hour and overtime.
Planer feeders (big services and stickers)	\$2.75	\$2.50.
Planer feeders (small machines)	\$2.50	\$2.25.
Tail planers	\$2.25	\$2.
Shipping clerk	\$90 per month	30 cents per hour.
Head grader and factory plant shipper, work anywhere	35 cents per hour	30 cents per hour.
Car loaders and graders	30 cents per hour	25 and 27½ cents per hour.
Helpers	\$2.25	\$2.
Other common laborers	\$2.25	\$2.

^aAll wages not otherwise specified are by the day.

All wages figured per hour or on basis of ten hours per day. Are doing no logging this year. Next fall, if warranted in doing any, the woods wages will be about 10 per cent less than 1907. Men will all work by the day of ten hours, with probably \$2 as a basis for swampers and common laborers, \$2.25 for hook men and two-horse teamsters,

\$2.50 for loaders and four-horse teamsters, less board and \$1 per month hospital, sawyers \$2.25 and \$2.50, blacksmith \$3, foreman (according to the man and job).

Scale of wages paid by the Stanley-Smith Lumber Company, Hood River, Oreg.

[Made by J. E. Robertson, cashier of the company.]

Logging camp:	Per day.	Mill—Continued.	Per day.
Donkey engineers	\$3. 00	Setters	\$2. 75
Donkey fireman	2. 50	Carriage riders	2. 25
Hook tenders	3. 50	First offbearer	2. 25
Rigging slingers	2. 75	Roll men	2. 00
Chasers	2. 50	Edgerman	4. 00
Head fallers	3. 00	Edgerman helper	2. 75
Second faller	2. 75	Tripman	2. 25
Buckers	2. 75	Timber trimmer	2. 50
Swampers	2. 50	Engineer (including board)	100. 00
Snipers	2. 50	Engineer helper	2. 25
Road men	2. 25	Fireman	3. 75
Chief engineer (including board)	90. 00	Oiler, saws, etc.	2. 25
Teamsters	2. 50	Machine oiler	2. 50
Teamster's hook tender	3. 00	Flume men	2. 00
Mill:		Lumber trimmerman	2. 75
Filing room (2 men)	10. 00	Trimmer table	2. 25
Room men	2. 75	Millwright	3. 75
Janitor	2. 00	Night fireman	3. 50
Sawyers	6. 00	Day fireman	3. 75

Statement of rates of wages paid by Pacific Timber Company, Everett, Wash.

[Made by Norman Lind, secretary and treasurer of the company.]

Mill:	Per day.	Camp—Continued.	Per day.
Broom man	\$2. 00	Foreman	\$2. 50
Carriage man	2. 25	Buckers	3. 00
Sawyer (band)	4. 25	Skid road man	2. 00
Helper ban	2. 25	Pig man, main road	2. 50
Helper edger	2. 00	Head skidder	3. 50
Planer man and millwright	4. 00	Hook tender (including board)	4. 00
Filer	8. 50	Fallers, first	3. 50
Grader	2. 50	Fallers, second	3. 00
Tier	2. 00	Blacksmith	3. 00
Yardman	2. 00	Swampers	2. 50
Engineer	3. 25	Flunkey	2. 25
Day fireman	2. 25	Bull cook	2. 25
Night fireman	2. 50	Signalman	2. 50
Yard foreman	5. 00	Choker man	2. 25
Edger man	2. 50	Camp foreman, per month	150. 00
Shingle mill:		Chaser	3. 00
Tallyman and foreman	3. 00	Pump man	1. 75
Packers ..per thousand .....	.08½	Rigging slinger	2. 25
Sawyers ..do .....	.16	Cooks, husband and wife, per month	100. 00
Block piler	2. 00		
Cut-off man	2. 50		
Knee bolter	4. 00		
Camp:			
Engineers	3. 25		

EXHIBIT D.

Comparative cost of production in United States and Canada.

[Statement by D. N. Winton.]

MINNEAPOLIS, MINN., *November 17, 1908.*

Mr. A. R. ROGERS,
Minneapolis, Minn.

DEAR SIR: This is to certify that the Thief River Falls Lumber Company, a corporation of Thief River Falls, Minn., has—

	1906.	1907.
Manufactured lumber -----feet--	43, 605, 868	40, 762, 150
The cost of manufacturing this lumber, including sawing, sawing supplies, oil, machine shop work, sorting, chain, hauling, piling, stacking, and yard sorting amounted to ^a -----	\$1. 733	\$2. 223
Sawmill repairs -----	. 303	
Refuse -----	. 05	
Total cost, including refuse and repairs -----	2. 086	
Cost for sorting logs and boom repairs -----	. 199	
Shipping this lumber, including planing-mill repairs, planing supplies, and planing mill -----	. 443	
Shipping -----	. 687	
Cost of selling, including traveling expenses and commission -----	. 067	
Total -----	1. 197	1. 195
Total cost -----	3. 482	3. 418

The shipments for 1906 averaged \$20.16; for 1907, \$21.10.

During these two years, 1906 and 1907, the total cut averaged practically 25 per cent of low-grade boards and shorts, by low-grade boards meaning Nos. 4 and 5.

During the year 1907, which are the only figures I have before me, the Prince Albert Lumber Company (Ltd.), of Prince Albert, Saskatchewan, which company has been in operation for three years past, manufactured 34,608,757 feet of lumber; the total cost of manufacture of which, as enumerated above, was \$2.409. The shipping of this lumber cost \$1.778.

The average price which we received for this lumber at Prince Albert was \$21.66. Sales amounted to 25,737,205 feet.

I am, as you know, president of the Prince Albert Lumber Company (Ltd.), with a capacity of 50,000,000 feet; secretary of the Thief River Falls Lumber Company, of Thief River Falls, Minn., with a capacity of from 40,000,000 to 45,000,000 feet; president of the Bemidji Lumber Company, of Bemidji, Minn., with a capacity of 30,000,000 feet, and vice-president of the Northwest Lumber Company, Kalispell, Mont., having a capacity of nearly 20,000,000 feet. My personal holdings in the United States as represented in the above and other companies are several times what my interests are in Canada.

^a Does not include cost of stumpage, logging, driving, etc., or cost of logs, which are practically higher in this locality than at most white-pine producing points.

It is my opinion that the removal of the tariff would work no unnecessary hardships on the lumber industry in the United States; it might take a short time to readjust the changed conditions, but I believe it would be for the best of the people at large that the tariff on lumber should be abolished.

Yours, truly,

D. N. WINTON.

EXHIBIT E.

Cost of manufacture at mill of Stanley-Smith Lumber Company, Hood River, Oreg.

[Statement by F. S. Stanley of that company.]

Our reports from Hood River show that we are manufacturing from 100,000 to 140,000 feet per day, at the following averages:

	Per thousand.
127,000 feet.....	\$1.05
108,000 feet.....	1.30
133,000 feet.....	1.06
125,000 feet.....	1.12

EXHIBIT F.

Comparative cost of production, Washington and British Columbia.

Average cost of logs for month.....	\$6.447
Labor in sawmill per thousand, including all labor on logs from pond to pile in yard.....	1.87
Administration, including San Francisco office.....	.454
Insurance.....	.25
Taxes.....	.036
Depreciation.....	.50
Interest and exchange.....	.282
Repairs and maintenance.....	.068
Supplies.....	1.147
Total average cost of rough lumber per thousand in pile in yard...	10.054
Dressed lumber—labor, repairs, and supplies.....	.739
Total cost of dressed lumber.....	10.793

Cost per thousand of production at Rogers Lumber Company's mill, at Enderby, British Columbia.

This is based on our figures for 1907 and taken from our books:

Logs delivered at the mill.....	\$6.50
Sawing and putting in pile.....	3.92
Taking the lumber from pile and loading on cars.....	.12
General expense including salaries, interest, and taxes.....	3.17
Total.....	13.71
In 1908, owing to having changed our method of operation to some extent, we have reduced our cost:	
Logs delivered at the mill.....	\$6.50
Sawing and putting in pile.....	2.89
Taking the lumber from pile and loading cars.....	.15
General expense, including salaries, interest, and taxes.....	3.05
Total.....	12.59

Cost at British Columbia mill \$1.80 per thousand more than at Washington mill.

EXHIBIT G.

Lumber output and shipments of British Columbia coast lumber manufacturers for 1907.

	Feet.
Total cut -----	475,000,000
Total shipments, foreign-----	70,000,000
Total shipments, rail, East-----	191,000,000
Balance, local consumption.	
Stock on hand, coast, January, 1908-----	110,000,000

NOTE.—Shipments by rail include all lumber sold to railways, Dominion government works, etc., and to the trade in eastern Canada.

EXHIBIT H.

ITHACA, N. Y., November 12, 1908.

HON. SERENO E. PAYNE, M. C.

Chairman Ways and Means Committee, Washington, D. C.

DEAR SIR: Having been informed that the lumber associations of Washington and Oregon will be represented before the Ways and Means Committee at Washington, D. C., on November 20 next and make remonstrance against the reduction or removal of duty imposed on lumber coming from Canada into the United States, and claiming for reason that they are unable to compete with lumber manufactured in British Columbia without such protection, I inclose for your information the northwest cargo statistics, compiled by these associations, covering fourteen years' shipments from Washington, Oregon, and British Columbia, which plainly shows what Washington and Oregon have been able to do in world-wide markets and competition without tariff protection.

Upon examination you will find that Washington and Oregon increased their shipments from 131,055,817 feet foreign in 1895 to 363,372,088 feet foreign in 1907, or nearly three times as much in 1907 as in 1895, while British Columbia increased from 40,745,270 feet foreign in 1895 to 67,193,209 feet in 1907, or less than twice as much in 1907 as in 1895, and in markets where British Columbia had equal facilities for competition with Oregon and Washington.

It is evident that if Washington and Oregon have competed successfully with British Columbia so long in foreign markets without a protective duty, they are able to do so at home.

It can be easily verified that these shipments were a very large percentage of the total production of the coast mills of these respective districts, and would not have been made by Washington and Oregon if the eastern rail trade, protected by the tariff, had been more profitable, as nearly all of the coast export mills have equal advantage with other mills for rail shipments to eastern markets and engage in both export and domestic trade.

It is also well known that Washington mills have shipped largely by rail to Winnipeg and points west in Canada for many years, and many delegations and petitions have been sent by British Columbia lumbermen to Ottawa, asking that the same duty on common dimension lumber now charged upon Canadian lumber coming into the

United States be charged upon the same grades coming into Canada from the United States, but it has always been refused by the Dominion government. The duty on rough lumber not planed coming into this country is \$2 per thousand feet, but if planed on one side and edge like common dimension, it is \$3 per thousand feet. Canada admits both grades free.

The duty imposed is not reasonable protection, but a prohibitive tariff, which is plainly shown under the table inclosed of domestic water shipments for the same period, which were subject to the duty, where it is seen that British Columbia shipped, in 1895, 13,602,811 feet, principally to California, and comparatively nothing since, although British Columbia coast mills shipped 261,000,000 feet in 1907, of which about 75 per cent was shipped by rail east into Canada and 25 per cent exported by water to foreign countries, or about 70,000,000, of which only about 3,000,000 came to the United States.

Trusting that this information may be of use to you in your investigations, I beg to remain,

Yours, very respectfully,

EDGAR H. BUCKLIN,
205 West Green Street, Ithaca, N. Y.

Pacific coast cargo lumber statistics.

[From Pacific Coast Lumberman.]

Shipped from—	Foreign.					
	Australia.	South America.	China and Japan.	Mexico and Central America.	United Kingdom and Europe.	Africa.
						Other foreign ports.
						Total foreign.
Washington c.	28,313,923	21,818,502	4,578,026	6,090,633	6,085,718	3,709,763
British Columbia.	6,116,095	12,595,886	2,670,396	2,370,560	8,753,019	1,757,593
Totals, 1894.	34,429,018	34,414,388	7,248,422	8,461,193	15,438,737	5,467,356
Washington and Oregon.	43,755,761	32,139,555	12,632,650	6,716,288	6,504,544	2,214,264
British Columbia.	5,874,958	6,103,311	4,868,154	5,367,032	6,558,711	3,424,780
Totals, 1895.	49,630,709	38,242,866	17,500,804	12,083,320	11,063,255	5,639,044
Washington and Oregon.	44,821,574	34,517,203	22,499,707	13,007,304	9,485,450	11,242,086
British Columbia.	17,861,699	11,002,786	15,550,324	1,523,140	9,686,917	3,834,830
Totals, 1896.	62,683,273	45,519,989	38,050,031	14,530,504	19,172,367	15,076,916
Washington and Oregon.	46,242,353	25,973,758	35,991,494	9,345,469	16,788,593	8,488,531
British Columbia.	22,049,732	6,972,620	12,993,963	3,400,000	8,212,156	8,010,667
Totals, 1897.	68,292,115	32,946,378	48,985,457	12,745,469	25,000,749	16,499,198
Washington and Oregon.	37,147,070	19,215,664	17,940,132	7,864,463	2,265,361	9,142,345
British Columbia.	24,993,799	6,928,008	7,755,827	4,880,000	4,403,800	3,886,004
Totals, 1898.	62,140,869	25,143,662	25,695,959	12,754,463	6,674,161	13,028,349
Washington and Oregon.	40,877,578	24,969,909	34,653,624	8,201,082	7,409,871	12,041,828
British Columbia.	17,990,322	6,399,924	14,901,607	286,136	907,546	6,238,470
Totals, 1899.	58,867,900	30,369,833	49,500,231	8,487,218	8,317,417	18,290,298
Washington and Oregon.	56,902,139	34,556,276	33,448,227	9,468,801	8,433,967	12,284,414
British Columbia.	31,783,542	8,739,125	4,092,212	105,301	24,676,937	5,117,672
Totals, 1900.	88,685,681	43,295,401	37,540,439	9,594,102	33,110,904	17,402,086
						5,295,563
						284,924,176

Washington and Oregon.....	65,428,427	39,675,154	46,762,371	12,898,321	7,473,299	21,793,210	14,370,573	198,401,355
British Columbia.....	22,922,452	14,648,804	12,702,692	82,599	10,121,532	3,926,620	3,081,301	67,486,090
Totals, 1901.....	78,350,879	54,323,958	59,465,063	12,980,920	17,594,831	25,719,830	17,451,964	265,887,445
Washington.....	38,578,962	38,159,009	19,688,317	9,701,520	6,277,973	27,145,177	10,653,946	150,085,594
Oregon.....	2,038,411	2,193,265	28,613,841	3,085,625	.....	3,839,737	290,977	40,122,859
British Columbia.....	20,631,920	9,284,562	4,614,192	.....	9,168,616	8,880,463	2,155,265	56,685,008
Totals, 1902.....	61,300,293	49,637,516	52,886,350	12,797,145	15,446,589	40,815,377	13,010,188	245,893,458
Washington.....	72,230,804	53,972,673	34,679,762	8,522,877	14,569,040	37,069,332	2,943,777	223,980,265
Oregon.....	2,346,465	6,063,723	36,708,590	.....	1,792,683	7,828,145	2,083,308	35,822,314
British Columbia.....	5,155,175	10,118,027	6,965,881	275,345	14,653,600	22,104,484	2,966,232	62,236,694
Totals, 1903.....	79,732,444	70,155,423	77,354,183	8,798,222	31,014,723	67,001,961	7,993,317	342,030,273
Washington.....	50,946,307	11,798,443	16,930,822	6,632,564	4,602,020	10,699,800	84,555,039	186,144,995
British Columbia.....	7,699,076	11,373,793	5,705,361	.....	8,076,286	.....	322,728	33,177,244
Oregon.....	4,530,981	.....	22,031,811	.....	.....	2,638,652	2,971,292	29,172,736
Totals, 1904.....	63,176,364	23,142,236	44,667,994	6,632,564	12,679,306	13,338,452	87,559,059	248,494,975
Washington.....	40,622,367	66,797,905	47,489,889	14,830,875	17,181,161	14,108,392	3,216,706	201,030,589
British Columbia.....	13,910,784	11,970,963	4,838,004	.....	14,781,264	4,156,980	153,935	49,811,930
Oregon.....	8,838,578	4,195,477	32,795,225	.....	3,153,832	7,075,976	1,785,102	57,854,190
Totals, 1905.....	63,371,729	82,964,345	85,123,118	14,830,875	35,116,297	25,341,348	5,165,743	308,686,709
Washington.....	53,269,733	87,530,794	31,593,172	17,850,130	10,226,575	7,784,498	3,047,814	221,351,716
British Columbia.....	26,937,218	26,623,607	4,595,753	.....	9,413,870	8,604,204	6,002,210	67,176,862
Oregon.....	23,069,027	6,556,644	69,706,171	201,856	9,533,073	.....	4,460,147	112,526,918
Totals, 1906.....	110,275,978	119,761,045	105,895,096	18,051,986	29,172,618	16,388,702	13,510,171	413,095,496
Washington.....	59,621,663	109,098,714	35,282,855	35,954,438	9,355,806	3,297,710	10,109,350	262,720,536
British Columbia.....	24,336,690	20,687,819	5,617,248	.....	9,209,022	1,595,075	5,187,932	67,193,208
Oregon.....	31,529,600	7,482,290	56,963,238	2,205,096	2,471,328	.....	.....	100,651,552
Totals, 1907.....	115,487,953	137,268,823	97,863,341	38,718,556	21,036,556	4,892,785	15,297,282	430,565,296
Grand total fourteen years' water shipments.....	996,425,205	787,185,863	747,836,548	188,466,537	280,838,370	319,191,810	227,920,753	3,547,711,155

a Panama and New York shipments included.

Pacific coast cargo lumber statistics—Continued.

Shipped from—	Domestic.					Total.
	Philippine Islands.	Hawaiian Islands.	Alaska.	California.	Total domestic.	
Washington a.....		11,549,355		309,799,933	321,349,288	398,311,272
British Columbia.....				1,929,589	1,929,589	36,192,138
Totals, 1894.....		11,549,355		311,729,522	323,278,877	434,503,410
Washington and Oregon.....		15,484,496		394,493,048	409,977,544	541,033,361
British Columbia.....				13,602,811	13,602,811	54,348,081
Totals, 1895.....		15,484,496		408,095,859	423,580,355	595,381,442
Washington and Oregon.....		20,799,855		354,226,472	375,026,327	520,179,436
British Columbia.....				1,461,012	1,461,012	64,004,924
Totals, 1896.....		20,799,855		355,687,484	376,487,339	584,184,360
Washington and Oregon.....		26,798,584		347,298,269	374,096,853	527,776,640
British Columbia.....						62,288,176
Total, 1897.....		26,798,584		347,298,269	374,096,853	590,064,816
Washington and Oregon.....		32,681,968		346,494,388	379,176,352	486,069,393
British Columbia.....						55,134,603
Total, 1898.....		32,681,968		346,494,388	379,176,352	541,203,996
Washington and Oregon.....	3,724,373	59,166,907		379,656,816	442,548,096	579,777,086
British Columbia.....						49,132,305
Total, 1899.....	3,724,373	59,166,907		379,656,816	442,548,096	628,909,394
Washington and Oregon.....	3,875,190	59,540,163	29,004,031	370,258,913	462,678,297	622,020,960
British Columbia.....						74,981,513
Total, 1900.....	3,875,190	59,540,163	29,004,031	370,258,913	462,678,297	697,002,473
Washington and Oregon.....	16,601,262	47,231,866	8,835,140	403,245,540	475,913,308	674,314,667
British Columbia.....			170,260		170,260	67,636,350
Totals, 1901.....	16,601,262	47,231,866	9,005,400	403,245,540	476,083,508	741,971,013

Washington.....	6,177,622	26,670,016	8,797,593	457,763,783	498,338,964	648,424,658
Oregon.....	3,991,127	2,614,507	1,273,938	148,339,249	155,218,821	195,341,677
British Columbia.....			1,000,000		1,000,000	56,686,008
Totals, 1902.....	10,168,749	28,284,523	10,001,531	606,102,982	654,557,785	900,451,243
Washington.....	35,632,709	22,571,671	8,577,456	456,544,333	523,326,169	747,315,434
Oregon.....	9,599,000			87,720,000	97,319,000	133,141,314
British Columbia.....						62,238,694
Totals, 1903.....	45,231,709	22,571,671	8,577,456	544,264,333	620,645,169	932,695,442
Washington.....	6,737,016	10,793,690	92,461,178	454,113,027	490,889,911	667,034,906
British Columbia.....						33,177,244
Oregon ^b	10,562,154	1,644,580		135,190,337	147,297,071	176,469,807
Totals, 1904.....	17,299,170	12,338,270	92,461,178	589,303,364	638,186,982	876,681,957
Washington.....	6,424,104	19,683,606	2,147,447	595,240,580	622,495,737	826,743,032
British Columbia.....						49,811,930
Oregon.....	7,154,986	1,043,000	215,000	145,154,351	153,567,337	211,421,627
Totals, 1905.....	12,579,090	20,726,606	2,362,447	740,394,931	766,063,074	1,087,976,489
Washington.....	8,498,420	27,578,065	14,513,353	811,218,380	c879,249,420	1,100,601,136
British Columbia.....				797,808	79,974,730	79,974,730
Oregon.....	7,172,687	25,800		267,442,265	274,442,265	387,167,700
Totals, 1906.....	15,671,117	27,603,065	14,513,353	1,079,459,333	1,154,688,070	1,567,743,566
Washington.....	6,005,870	22,801,221	21,957,775	774,141,145	830,128,486	1,092,849,022
British Columbia.....						67,193,208
Oregon.....	4,639,505	1,783,261		240,359,832	249,596,340	350,247,892
Totals, 1907.....	10,645,375	24,584,482	21,957,775	1,014,500,977	1,079,724,826	1,510,290,122
Grand total fourteen years' water shipment.....	135,790,035	409,361,311	188,196,022	7,496,492,711	8,229,846,079	11,777,711,155

^a Addendum: Oregon made no foreign shipments in 1894. Not included above east coast United States.

Shipments by Quartermaster's Department to Manila.

Domestic unclassified shipments.

Complete total fourteen years' water shipments.

^b Eleven months only.

^c San Francisco shipments not included.

4,881,659
14,539,485
21,634,742

11,818,787,041

EXHIBIT I.

MINNEAPOLIS, MINN., *November 17, 1908.*

Mr. A. R. ROGERS,
Minneapolis, Minn.

DEAR SIR: After giving subject of tariff on lumber more thought, it occurs to me that our business—that of operating retail lumber yards throughout the Northwest—would be affected by the removal of the tariff on lumber by giving us a large field from which to purchase our supplies, and no doubt the cost price to us would be somewhat reduced, the consumers getting the benefit, as our prices to the consumers are based entirely upon cost to us.

Besides, we would have more railroads accessible to base of supplies, which would insure much better service, and our cost prices, as well as prices to consumers, would be based entirely upon supply and demand of the material in which we deal, whereas for three years preceding 1908, we believe, prices to us were considerably increased by inadequate railroad facilities.

Yours, truly,

GEO. P. THOMPSON, *Manager.*

THE SOUTHERN CYPRESS MANUFACTURERS' ASSOCIATION, NEW ORLEANS, LA., OPPOSES REDUCTION OF LUMBER DUTIES.

NEW ORLEANS, LA., *December 8, 1908.*

Hon. SERENO E. PAYNE,
Washington, D. C.

DEAR SIR: I beg to inclose herewith copy of a resolution, which was unanimously adopted by the members of this association at their semiannual meeting, in Savannah, Ga., November 24, 1908.

Very truly, yours,

GEO. E. WATSON, *Secretary.*

RESOLUTIONS ADOPTED BY THE SOUTHERN CYPRESS MANUFACTURERS' ASSOCIATION AT SAVANNAH, GA., NOVEMBER 24, 1908.

Whereas the present duty on lumber of \$2 per thousand amounts only to an ad valorem tariff of about 12 per cent, in comparison with 40 per cent on iron and steel, 32 per cent on cement, and 45 per cent on building stone, all of which enter largely into competition with lumber for construction purposes; and

Whereas this 12 per cent ad valorem tariff on lumber is already so much lower than all other articles coming into competition with it that the amount in reality amounts only to a tariff for revenue: Therefore be it

Resolved by the Southern Cypress Manufacturers in convention assembled, That, as business men, we here and now register our most solemn protest against any appeal or modification of the lumber schedule in Dingley tariff, on the ground that it is already reduced to the basis of a revenue tariff, and therefore needs no further revision.

Resolved (2), That our Senators and Representatives in Congress be, and are hereby, requested to use all reasonable means to prevent any repeal of the present lumber tariff, and thereby conserve the best interests of their constituents at home, who are bearing their full share of the burden of taxation and other responsibilities.

Resolved (3), That we renew our pledge and support to the Forestry Department and call upon the officers of that department to cooperate with us in not only reforesting our cut-over lands, but at the same time to further cooperate with us in the enhancement of our timber after it is grown, by the enactment at this time of such legislation as will protect our present as well as prospective holdings from the cheap lumber of Canada and other foreign countries, as produced by Hindoo, Chinese, and Japanese labor, from stumpage costing 50 cents to \$1 per thousand, in comparison with \$2.50 to \$4 and \$5 per thousand in the United States, where labor costs from \$1.25 to \$2.25 per day, as against 80 cents to \$1.20 per day for foreign labor.

Resolved (4), That our governors in the Southern States, who compose in part the American Conservation Congress, be, and they are hereby, urgently requested to investigate for themselves and to use their good offices in our behalf at the approaching meeting of that body in Washington next month, to prevent this threatened injustice to the South's second greatest industry, since the South now produces practically one-half of all the lumber produced annually in the United States.

HON. D. J. FOSTER, M. C., SUBMITS LETTER OF THE SHEPARD & MORSE LUMBER COMPANY, OF BURLINGTON, VT.

BURLINGTON, VT., *December 8, 1908.*

HON. D. J. FOSTER,
Washington, D. C.

DEAR SIR: In view of the fact that Congress is about to act on the revision of the tariff and that the committee appointed by Congress are now hearing the various complaints, etc., we beg leave to offer our views on the subject and believe they are in accordance with the manufacturers throughout a very wide section of the country. We think the duty should be removed from rough lumber imported from Ontario, Quebec, and the eastern Provinces, but, as our Northwest has large virgin forests, we believe in their protection from the lumber coming in from British Columbia, such as cedar, fir, etc. We would recommend the duty on dressed lumber be advanced to where the labor should be performed on this side of the line. The present duty on dressed lumber is so low that a great many large dressing mills are starting up in Canada, dressing lumber and shipping to this country, from the fact that the duty on dressed lumber is so very low that they can afford to pay the duty and make money; for instance, 1,000 feet of dry pine or spruce will weigh 2,500 pounds; if planed one side, it will weigh about 2,000 pounds, a reduction of 500 pounds to the thousand feet. As the average rate to New England or New York points of 18 cents per hundred equals 90 cents per thousand feet, the duty for dressing lumber at present is only 50 cents per thousand feet, leaving a balance in favor of the Canadians of 40 cents per thousand feet; and this is not all, as they are not obliged to pay as high wages as we do for performing the work on this side of the line.

It seems clear that our Government should not only protect the forests, but it should protect its labor as well. Canada imposes a duty of 25 per cent ad valorem on dressed lumber shipped from this country, which protects its labor, so that it is impossible to ship dressed lumber into Canada, and we believe we should have the same protection; otherwise the mills on this side of the line that are now dressing Canadian lumber will soon have to close and remove to Canada, which would throw out of employment thousands of American workmen.

We think the whole thing is wrong from the United States point of view and that the new tariff should furnish free raw material (rough lumber) and give better protection to the manufactured article (dressed lumber), and in that way give more employment to American workmen. The time is near at hand when this country must look to Canada for its rough pine and spruce, and in our opinion if the duty was removed now it would greatly protect our forests and the consumer would also be benefited thereby. We trust that you will give this matter your careful consideration and do all you can to help us.

Yours, truly,

SHEPARD & MORSE LUMBER CO.,
E. W. PARKHILL, *Manager*.

A letter from the J. R. Booth Lumber Company, Burlington, Vt., similar in purport to the above was also filed by Mr. Foster.

**ADDITIONAL STATEMENT MADE BY H. H. TIFT, OF TIFTON, GA.,
RELATIVE TO THE LUMBER SCHEDULE.**

SATURDAY, *December 19, 1908.*

MR. TIFT. Mr. Chairman, I am here in response to your invitation to appear before this committee, and I am here, sirs, at your service.

THE CHAIRMAN. One of the members of the committee asked to have you invited to come here on the subject of lumber, or timber, or both.

MR. BOUTELL. Judge Griggs, of Georgia, gave his name to the committee.

THE CHAIRMAN. And Judge Griggs seems to be out of town.

MR. TIFT. I regret very much that the judge is not here this morning, for I was in hopes of meeting him here.

THE CHAIRMAN. The question is whether the duty should be kept upon lumber. I do not know which side of that proposition you are on, but—

MR. TIFT. I am in favor of maintaining the present duty on lumber.

THE CHAIRMAN. The committee would like to hear from you any facts or argument you have in behalf of that proposition.

MR. TIFT. As you will remember, I appeared before the committee on November 20 and gave my testimony upon this same question. I can state briefly what it was, although possibly it will be a repetition of some things I said at that time.

THE CHAIRMAN. I am very sorry that Mr. Griggs is not here to question you.

MR. CRUMPACKER. There is one thing that I think Mr. Griggs suggested in connection with summoning Mr. Tift, and that is as to the timber lands being owned by large corporations—the extent to which corporations have bought up timber lands and own them.

MR. TIFT. In regard to that matter, in the State of Georgia there are no very large bodies of timber owned by corporations. The yellow-pine section of Georgia is owned very largely by individual owners.

MR. CRUMPACKER. What do you mean by “large bodies;” that is a relative term?

Mr. TIFT. I will endeavor to explain. I think there are very few tracts to exceed, say, 50,000 acres that are owned by any one individual or corporation. I have not in mind just now any particular tract larger than that owned by any one corporation.

Mr. CRUMPACKER. You are a member of several corporations, are you?

Mr. TIFT. Lumber corporations?

Mr. CRUMPACKER. Lumber corporations.

Mr. TIFT. Only two or three, sir. I am a member of the Dowling Lumber Company, a corporation of Florida, and I am a member of the Adel Lumber Company, a small corporation in Georgia. They have small holdings; a small mill site; and I am also a member of the Ensign-Oskamp Company.

Mr. CRUMPACKER. How much land or timber do the corporations that you are a member of own?

Mr. TIFT. The Dowling Lumber Company, which is a Florida corporation, owns about 200,000 acres of timber. The situation in Florida is different from the situation in Georgia. There are more large holdings of timber in Florida by corporations.

Mr. CRUMPACKER. Is it true that the corporations own the bulk of the timber in Florida?

Mr. TIFT. I think that is true to a pretty large extent, sir. The Consolidated Naval Stores Company, at Jacksonville, have large holdings of timber.

Mr. CRUMPACKER. Now, as to the other corporations in which you are interested; how much land do they own?

Mr. TIFT. The larger corporations?

Mr. CRUMPACKER. Yes.

Mr. TIFT. The Adel Lumber Company is one of the corporations. I stated that that is a small corporation, and they own something like 10,000 acres of timber.

Mr. CRUMPACKER. And the other one?

Mr. TIFT. That one is going out of business.

Mr. CRUMPACKER. What is the fact as to corporations organized in northern States and having large timber interests in Georgia and other southern States?

Mr. TIFT. I recall only one northern corporation in Georgia, and that is a corporation that has been organized recently that owns the swamp down at Way Cross—the Hebbard interests, I think.

Mr. CRUMPACKER. How large a tract does that corporation own?

Mr. TIFT. I think it is a large tract, but I could not give you the exact acreage. They own the whole of the Okefenoke Swamp.

Mr. CRUMPACKER. Can you approximate the extent of their holdings there?

Mr. TIFT. No, sir. I ought to know what is in that swamp, but I do not.

Mr. CRUMPACKER. Would it go up into the hundreds of thousands of acres?

Mr. TIFT. I think it would cover 100,000 acres.

Mr. CRUMPACKER. Then, individuals have been buying large tracts there in recent years, have they not?

Mr. TIFT. Do you mean in Georgia?

Mr. CRUMPACKER. Yes.

Mr. TIFT. I do not think it is a rule in Georgia. I think few large tracts are owned by individuals.

Mr. CRUMPACKER. It is still in the hands of small owners to a large extent?

Mr. TIFT. Yes, sir. The Georgia timber has been pretty largely cut over. They have been lumbering in Georgia for forty years. I have been lumbering in Georgia myself for thirty-six years.

Mr. CRUMPACKER. You say that the land has been pretty well cut over. Is the supply nearly exhausted in Georgia?

Mr. TIFT. What I would call the virgin supply is pretty well exhausted; yes, sir.

Mr. CRUMPACKER. The good timber has been cut out?

Mr. TIFT. Largely; still there is a great deal of what we call "cut over" timber that will produce a large quantity of lumber for many years to come. But the virgin timber has been largely cut out.

Mr. CRUMPACKER. What kind of timber is it, yellow pine?

Mr. TIFT. Part of it is yellow pine, some spruce out near the coast.

Mr. CRUMPACKER. How long does it take yellow pine to grow to a merchantable size?

Mr. TIFT. Well, sir, it is a very slow growth. If you are going to plant a yellow-pine tree, I do not think it would become a tree, say, from 14 to 18 inches diameter at the trunk—I think it would take fifty years in the ordinary growth, although something might be done to accelerate it in some way.

Mr. CRUMPACKER. In what kind of soil does the pine grow; is it used for farming purposes?

Mr. TIFT. Yes, sir. Take the section that I am located in, that is Tifton, Ga., 130 miles from the coast. I think we have the finest farming section in that region in Georgia.

Mr. CRUMPACKER. Are they cleaning up the pine lands and converting it into farms?

Mr. TIFT. Yes, sir. For instance, when I went to what was then Marion County, now Tift County, thirty-six years ago, the whole country was a fine forest. There was not a town within 40 miles of Tifton, where I was located, though you would find a settlement occasionally—log houses 5 or 10 miles apart.

Mr. CRUMPACKER. Are you acquainted with conditions in North Carolina, generally?

Mr. TIFT. No, sir; only from what I hear on the outside. I have never been through that region.

Mr. CRUMPACKER. There is a good deal of timber in that State?

Mr. TIFT. Yes, sir; but I think the conditions in South Carolina are somewhat similar to Georgia.

Mr. CRUMPACKER. That is, the good timber has been largely cut off?

Mr. TIFT. That is my impression; I am quite sure that is correct.

Mr. CRUMPACKER. And that is also true of North Carolina?

Mr. TIFT. I think so; yes, sir.

Mr. CRUMPACKER. Where is the large and valuable timber in the South?

Mr. TIFT. Well, in the eastern section it is largely in Florida; that is, the virgin timber. You might say practically the whole area of the State of Florida is a timber section.

Mr. CRUMPACKER. And that is largely owned by big timber or lumber corporations?

Mr. TIFT. There are some large corporations, but I do not think there are more than, possibly, half a dozen to a dozen that own very large bodies; what I would call a large body, 100,000 acres, or more than that.

Mr. CRUMPACKER. There is considerable timber in Tennessee?

Mr. TIFT. I am not familiar with conditions in Tennessee.

Mr. CRUMPACKER. Are you familiar with conditions in Alabama?

Mr. TIFT. No, sir; except what I learn; I have never been through there.

Mr. CRUMPACKER. Are you familiar with Mississippi or Louisiana?

Mr. TIFT. I think there are large bodies of virgin timber in those States—more than in Georgia, but perhaps no more than in Florida.

Mr. CRUMPACKER. The timber land has gone up in value greatly in the last ten years in the South, has it not?

Mr. TIFT. Yes, sir.

The CHAIRMAN. And what you want of this duty is to keep up that value, is it not?

Mr. TIFT. Well, we want to keep the duty; one of the reasons is to protect the markets that we have.

The CHAIRMAN. Against what?

Mr. TIFT. Our principal competition would be the competition of the Canadian lumber.

The CHAIRMAN. How much Georgia pine do you export to Canada to-day?

Mr. TIFT. A very small amount. We ship some car sills and high-grade lumber to Canada.

The CHAIRMAN. I am told that quite a large amount is shipped to Canada. I am told that by a Canadian senator, from whom I expect to get some figures in a few days. I am told that quite a large amount of Georgia pine—not all coming from Georgia, but pine from the South—is shipped in there.

Mr. TIFT. I have shipped to Canada, myself, in the last six months, but it has only been a certain class of material.

The CHAIRMAN. You shipped it there because you could get bigger prices than elsewhere?

Mr. TIFT. No, sir; if you will let me explain——

The CHAIRMAN. Do you get as much?

Mr. TIFT. Yes; we get as much. The lumber shipped to Canada is largely railroad——

The CHAIRMAN. And still you want protection from the lumber of Canada?

Mr. TIFT. Yes, sir.

The CHAIRMAN. Although you are able to ship it that distance, and get as much for it as you do in the States?

Mr. TIFT. But, if you will permit me, I would like to explain why that condition exists to-day. The lumber we are shipping to Canada is only two or three classes of lumber—the railroad car sills, and car sidings, and car framing. I do not know any other class of lumber being shipped into Canada.

The CHAIRMAN. I am told that boards—side lumber—is shipped to Canada from the Georgia pine district.

Now, there is another question, although I do not know whether it bears very strongly on this question; I never thought it did in my endeavors to adjust the tariff; but it is a curious circumstance, and I would like to know why you people in the South are always here asking for the highest rates of duty, and yet all of the time voting for the lowest rates of duty. Can you explain that little inconsistency among your people?

MR. TIFT. Mr. Chairman, for myself I want to say that I did not vote that way.

THE CHAIRMAN. Well, I am glad to find one; but why is it that most of your people vote that way, and yet they come here and ask for the very highest protection? There is no section in the whole United States asking for as high protection as you people of the South, and why is it that you vote the other way?

MR. TIFT. Mr. Chairman, the record shows that Mr. Taft got something over 40,000 votes in Georgia.

THE CHAIRMAN. Forty thousand—well, he ought to have had an overwhelming majority, considering the number of your people who are asking for protection.

MR. TIFT. Mr. Chairman, there was no campaign made in Georgia for Mr. Taft, and it is my firm belief that if there had been and the people had been educated—we have to educate our people, you know—

MR. CRUMPACKER. Mr. Tift, lumber has gone up in price materially in the last ten years, has it not?

MR. TIFT. Well, it has; but in a sense it has not.

MR. CRUMPACKER. It has gone up enormously in price; lumber is a good deal higher than it was ten years ago, and that principally because of the scarcity of the lumber, is it not—the cutting out of forests?

MR. TIFT. In a way; yes, sir.

MR. CRUMPACKER. The necessity of hauling it longer distances to the markets has largely caused it, and it never will be low again, will it? You never expect it to be lower, do you?

MR. TIFT. Well, I want to say that in the fall of 1904 lumber was lower than it has been at any time within twenty-five years; it was lower than it was in the panic year.

MR. CRUMPACKER. Now, if the tariff should be taken off of lumber, would it be cheaper in this country, do you think?

MR. TIFT. Well, I don't know that it would. It is not a question of price altogether, but a question of markets.

MR. CRUMPACKER. You do not know whether the removal of the tariff would lower the price?

MR. TIFT. No, sir; that would be a question. I think it would be an open question.

MR. CRUMPACKER. Then you would have the same market and substantially the same prices?

MR. TIFT. No, sir. Where we fear that the taking off of the tariff would injure us in the South is that our market is very largely in New York, New England, Pennsylvania, New Jersey, and that section. The lumber goes into that territory very largely in sailing vessels from the ports of Brunswick, Savannah, Jacksonville, Fernan-

dina, and those ports. When we get into the eastern markets we get into direct competition with the Canadian lumber, the spruce, and we fear that. Our problem is, as I stated when I was here the other day, to market our low-grade lumber. That is where the foreign competition affects us. We can market the high-grade lumber, and we do not fear the Canadian competition in high-grade lumber. But our problem is to market our low-grade lumber and to utilize everything in the tree. As I stated when I was here the other day, when I commenced lumbering, in 1872, we only got from 2,000 to 2,500 feet of lumber to the acre. We had no kilns, no planing mills, no lath, or shingle mills. We simply took the best part of the tree and worked the heart lumber out of it. The balance was left in the woods, to be burned and destroyed. That same acreage to-day, with the improvements in the market and methods of making lumber, will cut 10,000 feet of lumber to the acre. The effect of the marketing of the low-grade lumber is to prolong the life of the mills, conserve our forests, and make stumpage more valuable—make it to the interest of the owner to protect it—and it adds to the prosperity of our whole section. There are very large amounts of timber all over Georgia that is owned and held by the farmer.

The CHAIRMAN. Is labor cheaper in Georgia than in the Northern States?

Mr. TIFT. The negro labor is; yes, sir.

The CHAIRMAN. The labor that you have there is cheaper; wages are much less, are they not?

Mr. TIFT. Yes; negro labor, but as to white labor, I do not think there is very much difference. In our common labor we use negroes largely.

The CHAIRMAN. And the pay for that is less than the white labor?

Mr. TIFT. I think so. The pay for our negro labor ranges all the way from \$1 to \$2 a day. On that wage scale we furnish our men with houses without any rent, and with fuel.

The CHAIRMAN. About how high do you think the Georgia pine ought to go before you get to the point where you do not need protection?

Mr. TIFT. As I said just now, it is not a question of price, it is a question of markets. Of course, we have got to have a price that would give us a margin over and above our cost of manufacture.

The CHAIRMAN. How far do you think you ought to go in the way of denuding the forests of the South before you have sufficient margin in this country to get along without the protection of \$2 a thousand on lumber?

Mr. TIFT. I want to say, in the matter of denuding the forests, that I stated the other day that we are up against the turpentine proposition. Practically all of the timber in Georgia has been boxed for turpentine. After it goes through that process it is subject to fires, and unless we can bring the value of that timber where our farmers and holders will protect it, it is going to be destroyed. It is being destroyed, millions of feet of it—millions of feet deadened and cut down by farmers every year.

The CHAIRMAN. The only competition that you know anything about, or feel in your business, is competition from what lumber there is left in the North, is it not?

Mr. TIFT. Now, I want to say that we have competition all around us. We have competition in Canada, Nova Scotia, and British Columbia. On the south we have competition in Mexico and British Honduras, and that competition is at our doors. It seems to me that if the principle of a tariff, either for revenue or protection, is to be considered, that the lumber industry certainly is in need of as much as any industry in this country, because our competition is at our doors; we are surrounded by it.

The CHAIRMAN. But in the face of all this competition, the value of stumpage has gone up in the past ten years how much?

Mr. TIFT. The value of stumpage has gone up considerably, sir.

The CHAIRMAN. Double?

Mr. TIFT. Yes, sir; in some sections it has doubled, and in some sections I think it has trebled.

The CHAIRMAN. And there is nothing to send that up excepting the question of supply and demand, is there?

Mr. TIFT. Well, sir, there are other questions that enter into that. There is a great deal of stumpage that is bought based upon future value, the gradual diminution of the forest supply, and all of those features. For instance, to show the evolution in the lumber business, when I went to Georgia thirty-six years ago I bought a great deal of timber land at 40 cents an acre.

The CHAIRMAN. Then a great deal of the advance has been on speculation?

Mr. TIFT. I bought the land that the city of Tifton is located on now at \$1 an acre.

The CHAIRMAN. And speculation takes into account the severe competition which you have with Canada?

Mr. TIFT. Well, I do not know that it is a question of speculation. For instance, to illustrate the advance in value, and the advances in timber values all along the line, I bought the land that the city of Tifton now stands on at \$1 per acre.

The CHAIRMAN. Do you send the Georgia pine to Mexico as well as Canada?

Mr. TIFT. No, sir; I do not know of any Georgia pine, excepting possibly in the Beaumont (Tex.) district—there may be lumber exported to Mexico, but none from Georgia; no, sir.

Mr. BOUTELL. Were you in the lumber business before you went to Georgia?

Mr. TIFT. No, sir.

Mr. BOUTELL. How are the men paid in the Georgia and Florida mills—the colored employees?

Mr. TIFT. We have a monthly pay day, and in addition to that the men get their supplies as they want them.

Mr. BOUTELL. Do you pay in cash or in script?

Mr. TIFT. Pay in cash.

Mr. BOUTELL. The reason I ask is that in 1875 I visited what was then said to be the largest lumber mill in the South, upon Perdido Bay, in western Florida, on the border line between Florida and Alabama; and I found industrial conditions there then the like of which I have never seen anywhere else. The company owned a supply store, and the men were all paid exclusively in some kind of script which was redeemable at that store in supplies. They got no cash at all. Does that system prevail still in Florida, do you know?

Mr. TIFT. No, sir; it does not. We have a system of paying negro labor—we pay every month. We have to keep a commissary at a sawmill; it is a necessity. Our negroes in trading with the commissary are given checks instead of keeping an open account with them, which is unsatisfactory. A negro will spend a dollar here and 50 cents there, and at the end of the month he will dispute his account always. We give him a dollar check, say, and he trades that out—it is a punched check. He is under no obligations to trade at the commissary. We simply use that check system as the most satisfactory system of keeping the accounts. Those checks are charged up to the hand, and he trades them out. At the end of the month those checks go into his account, and the wages are credited, and he draws his pay. Then, during the month he gets money for special purposes; that is given to him; we pay it to him.

Mr. BOUTELL. That is, it is optional with the employee whether he takes the scrip or returns it?

Mr. TIFT. Entirely.

Mr. GAINES. But you do not mean that altogether?

Mr. TIFT. Not altogether; no.

Mr. GAINES. The wages are added together at the end of the month. If he is in need at any time before pay day, he can get scrip up to the amount of the work done, up to the time that he applies—that is, a piece of scrip, or check, with little punch holes in it?

Mr. TIFT. Yes, sir.

Mr. GAINES. He need not apply for this if he does not want it. If he does apply for it, and does not trade that out, and it is turned in at the end of the month, he gets a credit for that?

Mr. TIFT. Yes, sir.

Mr. GAINES. And in pursuing that accommodating and kindly system with the men, if for any reason they need money, they can get it?

Mr. TIFT. That is it exactly.

Mr. GAINES. So it is not exactly optional, as you say.

Mr. TIFT. I do not want to create that impression. We do not expect to pay him money throughout the month unless there is some urgent necessity why he should have it. We adopted that system because we found that it is the only system upon which we can get along with the negro labor. If we paid him every day, they would not work half time. They would spend the money for whisky, and things that they do not need.

Mr. CRUMPACKER. Is not Georgia a "dry" State?

Mr. TIFT. Well, Georgia is a "dry" State, but we haven't got rid of whisky absolutely. We are doing all right, however, taking everything into consideration.

Mr. FORDNEY. The chairman asked you about the advance in stumpage, and you said that there were several reasons. Now, I want to ask you if this is not true: That one of the greatest causes for advances in the price of stumpage in the country in the past ten years is due to the very large amount of timber put into Government reserves, taken absolutely out of the market, excepting at extremely high prices?

Mr. TIFT. That is a fact, no doubt.

Mr. FORDNEY. I believe in the State of Oregon there are 15,000,000 acres in forest reserves right now. If that timber in those forest

reserves were thrown on the market under the present laws—the homestead law, the timber and stone act—and permitted to be located with forest-reserve script, and so on, would it not have a tendency to reduce the price of stumpage in the State of Oregon right now?

Mr. TIFT. I think that is true.

Mr. FORDNEY. Then, isn't it true that on account of the depreciation of the forests of the country, which is rapid—and all men know that who know anything about the business—that the timber holdings in the country in the past ten years have gone into strong hands instead of small holdings, and therefore a speculative value has been put upon it?

Mr. TIFT. That is true in a great many sections. I do not think that would apply as much in Georgia as in other sections; not as much in Georgia as in Florida.

Mr. FORDNEY. For instance, in the State of Mississippi ten years ago there were very large forests there under small holdings that could be grouped up at the low price of 50, 75 cents, and a dollar, and which is now worth from \$3 to \$5. Those holdings have gone into strong hands.

Mr. TIFT. That is my information largely.

Mr. FORDNEY. Let me say further that the Government to-day is demanding the highest-priced stumpage asked for timber on the Pacific coast. Do you know anything about that?

Mr. TIFT. I do not.

Mr. FORDNEY. Well, I do. I know they ask \$5 stumpage for their timber in California upon certain reserves, and I know that no other timber demands that price. I know of no holder of timber asking any such price as that, but the Government is selling some timber at that price.

Mr. TIFT. Our average price of stumpage in Georgia is about \$2. The average price of stumpage in Florida runs from \$1.50 to \$3, depending upon the location. Three dollars is the highest stumpage value I know of in Florida.

Mr. FORDNEY. Southern Georgia is entirely different from other parts of the Southern States?

Mr. TIFT. I think so. In Georgia we have very few large holdings of timber, while in Florida there is much more. There is a much larger area of virgin timber in Florida than in Georgia.

Mr. FORDNEY. I do not know whether I asked you this question when you were here the other day—I don't remember—so I will ask you now. Do you believe that by reducing the duty or removing it on lumber that the consumer would be benefited? If so, would it tend to conserve the forests?

Mr. TIFT. No, sir; it would not. I doubt if the consumer would be benefited to any practicable extent. In my judgment it would not conserve the forests, for the reason that it would destroy to a very large extent our market for our low-grade timber. There are certain classes of stock upon which we do not fear anybody's competition; we can market it. But a very large percentage of our stock is what we call low-grade stock, and that is the stock that we are trying to find markets for. We are changing our mills so that we can make that stock more economically. Upon the mill that I am interested in in Florida now we are spending several thousand dollars to change that mill from circular to band saws.

The CHAIRMAN. I understand you to say that if the duty was taken off the consumer would not get his lumber any cheaper; is that correct?

Mr. TIFT. No, sir; I do not say no cheaper.

The CHAIRMAN. You stated that it would not benefit the consumer. If he got lumber cheaper, it would benefit him, would it not?

Mr. TIFT. Only to a small extent; that is, benefit to the consumer.

The CHAIRMAN. The tariff is \$2 a thousand. To what extent would the taking off of that tariff benefit the consumer?

Mr. TIFT. That is merely a matter of opinion.

The CHAIRMAN. I am trying to get your judgment about it.

Mr. TIFT. My judgment is that it would be very small. I doubt if he would get 10 per cent reduction.

The CHAIRMAN. Yet still that 10 per cent, which would be 20 cents a thousand, in your judgment, would be sufficient to drive out of the market all of the low-grade timber and lumber?

Mr. TIFT. No, sir; I did not say that.

The CHAIRMAN. Well, you said that there would be no market for it, and I do not know what the difference is.

Mr. TIFT. I want to say this: That we haven't got the market now for the low-grade lumber.

The CHAIRMAN. Please raise your right hand.

(The witness thereupon was duly sworn by the chairman.)

The CHAIRMAN. Now, I wish you would answer this question: How would it injure the market if the low-grade timber were only reduced in price 20 cents a thousand?

Mr. TIFT. I would answer it in this way, if you will permit me. It is not a question of price so much as the question of competition and market. To illustrate, we are trying to get our low-grade framing lumber into the different markets, for instance, in New York and eastern markets. Framing lumber that is in use in those markets is almost entirely spruce. We can hardly get yellow-pine framing into that market. It is not a question of price altogether, but custom and usage. On the other hand, in the Chicago and western markets there is practically no spruce used; it is all yellow pine. We are trying to push our markets; we have been pushing them year after year; we have gone farther into the West and into the Northwest, and we are trying to get our low-grade yellow-pine framing into the eastern market in competition with the spruce.

The CHAIRMAN. You say that is a question of usage. How is the lowering of the price of 20 cents a thousand going to affect that usage?

Mr. TIFT. It will affect it in this way: If you open those eastern markets to the Canadian spruce, which comes into New York and New England and those markets now—if you let down the bars and take off the tariff, there will be a very much larger volume of spruce and Canadian lumber shipped into those markets, and we would have no chance to get in.

The CHAIRMAN. It would not lower the price more than 20 cents. Do you not honestly believe that whether the tariff is kept on or not the price will go up further than it has gone up now; and that if it is taken off, in less than two years lumber will be higher than it is to-day?

Mr. TIFT. I think possibly it would; yes, sir.

The CHAIRMAN. You think it will be, do you not?

Mr. TIFT. Why, yes.

The CHAIRMAN. Then people will be compelled to buy this low-grade lumber, as they are to-day, because of the high price, will they not?

Mr. TIFT. Well, as I stated before, it is not a question of price altogether. Price is a factor in it, but there are a great many other factors that come in in connection with the market.

The CHAIRMAN. They did not begin to have this consumption of it until there was a high price, did they?

Mr. TIFT. There is more lumber cut every year. Of course, some of the consumption is because of there being more people in this country.

The CHAIRMAN. I understood you to say in answer to Mr. Fordney's question on another subject—we do not seem to get much light on this one—that the large timber tracts have gone into strong hands, and that was one reason for the advance in the price of the stumpage. Is that correct?

Mr. TIFT. I think that is a factor in it; yes, sir.

The CHAIRMAN. If that is true, would the removal of the \$2 duty tend to check the advance in the price of stumpage?

Mr. TIFT. If it had the effect of demoralizing the markets and reducing the price, it would necessarily react on the price of the stumpage.

The CHAIRMAN. Taking 20 cents off the price of lumber, as you have estimated, would that demoralize the market?

Mr. TIFT. Well, no, sir; I don't know that that of itself would be a factor.

The CHAIRMAN. If it did demoralize it, who would lose; anybody excepting the speculator who has been buying up the stumpage?

Mr. TIFT. Yes, sir; the speculator. But I think that lumber that is held in the hands of speculators is a small proportion of the timber that is held all through this whole country. Take it in Georgia, I think the proportion held by speculators is a very small proportion.

The CHAIRMAN. You said a few moments ago that Georgia is pretty well cut over, but you say that in Mississippi there are large tracts held by speculators. I did not want you to go back on Georgia to answer my question, but take the whole country, or take Mississippi. Florida, you stated, was pretty well cut over, did you not?

Mr. TIFT. No, sir; excuse me, I do not think I said—

The CHAIRMAN. Do you think it is necessary to keep \$2 a thousand duty in order to help out the speculators in Mississippi, that it is our duty to do it?

Mr. TIFT. No, sir; I do not think it is necessary to help out the speculators, but I think we should take the interest of the whole country together. The lumber interest, I think, is the fourth industry in this whole country. You are going to affect the lumber manufacturer, hundreds of thousands of people who are engaged in the lumber industry, assuming that you take off the tariff; it is going to affect the lumber industry, the small holders of timber all over the country.

The CHAIRMAN. To the extent of 20 cents a thousand.

Mr. FORDNEY. But that is not what he said.

Mr. TIFT. No, sir.

The CHAIRMAN. You have your interpretation as to what he said, Mr. Fordney, and I have mine. Do you think that the lowering of the price of lumber 20 cents a thousand is going to endanger the lumber business generally and demoralize it?

Mr. TIFT. That would be a small factor in it, but I want to state that it is not a question of price altogether. If you bring enormous quantities of lumber into any given market, it is going to affect that market; it is going to drive the man out that is least able to get in. In other words, to illustrate the situation, upon the lumber coming from Canada into New York and New England, it gets into the market on rates of \$2.50 and \$3 a thousand, while we have to get into that market on \$7 and \$8 a thousand. We are gradually working into that market, and we are shipping roofers, which we have not been able to do until this year, into that market.

The CHAIRMAN. What market are you working into?

Mr. TIFT. We are trying to work low-grade lumber into the eastern markets—New England, New York, Pennsylvania.

The CHAIRMAN. You sell all of your low-grade lumber now, do you not?

Mr. TIFT. We sell what we can make. We are leaving a great deal in the woods that we want to market to-day.

The CHAIRMAN. You want this duty in order to compel people to take the low-grade lumber?

Mr. TIFT. No, sir; we do not.

The CHAIRMAN. That is what it amounts to, doesn't it?

Mr. TIFT. We want the duty on to keep the volume of the foreign lumber out of our market, so as to give us a chance to get in and to have people use our lumber instead of the foreign lumber.

The CHAIRMAN. So as to compel the people to buy your low-grade lumber?

Mr. TIFT. No, sir. We claim that our low-grade lumber is just as good as the low-grade lumber from Canada.

The CHAIRMAN. Then it is no time to compel to buy. You want this to compel them to buy it, do you not?

Mr. TIFT. We do not look at it that way.

The CHAIRMAN. Would you be satisfied with the duty on low-grade lumber?

Mr. TIFT. Yes, sir.

Mr. FORDNEY. I can answer that, too; yes; and every other lumber man will be with us there.

Mr. GAINES. I doubt that.

Mr. FORDNEY. The chairman has asked you about the price of stumpage and whether or not it affects your business. There is a difference between the ownership of stumpage and the manufacture of lumber, and decidedly, is there not?

Mr. TIFT. Decidedly; yes, sir.

Mr. FORDNEY. And there are hundreds and thousands of mills in the country to-day depending upon buying stumpage that have their investment in their mill plants, and so on?

Mr. TIFT. Yes, sir.

Mr. FORDNEY. And if the price of stumpage goes higher, and if a removal of the duty would lower the price of the low grades, then the mill men suffer and not the man who owns the stumpage, because

the man who owns the stumpage will not sell until he gets his price, unless he happens to be in financial straits that compel him to do so, which is not often the case. Is not that true?

Mr. TIFT. Yes, sir.

Mr. FORDNEY. So that there are thousands of mill men to-day dependent upon buying stumpage from some man who owns the stumpage now?

Mr. TIFT. That is true.

Mr. FORDNEY. Isn't it true, generally true, that when the price of lumber is low the price of stumpage has not gone back, but held its own, and no sales being made?

Mr. TIFT. That has been the situation for the last year.

Mr. FORDNEY. And the man who made that investment held on and would not let it go?

Mr. TIFT. There have been no sales in Georgia or Florida during the last year—

Mr. FORDNEY. But isn't it true that the average manufacturer in the United States to-day competes with his competitor in any part of the world on high grades, and does not fear any man?

Mr. TIFT. Yes, sir.

Mr. FORDNEY. It is only the low grades that he needs protection on, practically?

Mr. TIFT. Practically.

Mr. FORDNEY. When the price of lumber is exceedingly high in the markets, the duty on lumber does not amount to a bawbee in the question?

Mr. TIFT. That is true.

Mr. FORDNEY. But it is when the low grades are a drag in the market that the duty helps out the lumber, and in such times as we are having to-day?

Mr. TIFT. That is about the situation in a practical way.

Mr. FORDNEY. It was testified here the other day that the lumber men on the Pacific coast competed right along in Australia and Japan and China and Manchuria and in British Columbia, and they all conceded that the price of lumber was lower in British Columbia than on the Pacific coast, and why? Because they could compete on high grades, but not on low grades. Did you hear that testimony?

Mr. TIFT. Yes, sir.

Mr. FORDNEY. If the duty is removed from low-grade lumber at a time when the price of lumber is low in our market, Canada or British Columbia would increase her output, because she could use United States markets for a dumping ground for their low grades, which she can not send elsewhere. Isn't that right?

Mr. TIFT. That is true, and that is the competition that we are trying to get rid of.

Mr. FORDNEY. When you take into consideration that 10 or 20 per cent, or whatever it is, it does not make so much difference so long as they have a dumping ground into which they can get rid of their lumber even at cost.

Mr. TIFT. That is right.

Mr. FORDNEY. If a man is in the lumber business, he finds that out pretty quick.

Mr. TIFT. The problem that confronts us all is to find out how to get rid of the whole tree; that is the problem, the great factor, when

we cut down the tree, to get everything in the tree into the market; and where we have no market for the low grades, the mills that have largely invested, and secured timber leases, are trying to work out that proposition. If we haven't got a market for everything in the tree, then we have to sell what we can out of it and leave the rest in the woods.

Mr. FORDNEY. You leave some low grade in the woods; why do you do that?

Mr. TIFT. Simply because we have no margin upon which to market it.

Mr. FORDNEY. If the duty were taken off the low grade, would it have a tendency to help you get that out?

Mr. TIFT. Yes, sir.

Mr. FORDNEY. If the duty were taken off, would it make that condition?

Mr. TIFT. Oh, no, sir; excuse me; I misunderstood your question.

Mr. FORDNEY. If the masses of the people want to conserve our forests, will they do it by lowering the prices of low-grade lumber or raising them?

Mr. TIFT. In regard to the question of conserving the forests, this question of the high price of stumpage is a great big factor in it. Our people are going to conserve our forests and take care of them and preserve them—I am speaking of private ownerships—when they can do it profitably, and as to the value of stumpage increase, to that extent we are going to conserve the forests. Take the evolution of the lumber business in my State, and that is the principle all the way through. When I first went to Georgia there was not a frame house within 20 miles of Tifton, everybody building log houses and building rail fences, splitting up good timber into rails to make the fences. To-day, in the last five years, there have been more wire fences built in Georgia in three years, commencing with the boom in lumber, than in twenty-five years before. And the same condition prevails in Florida. The value of stumpage is increasing, and where the farmers and small holders got timber, they are trying to take care of it. Instead of splitting it into rails, they are holding it and selling it to the mills, and putting in wire fences.

Mr. LONGWORTH. They are holding it for the purpose of eventually cutting it out, and getting a larger profit out of it than now?

Mr. TIFT. Oh, yes.

Mr. LONGWORTH. How can higher prices tend to conserve the forests?

Mr. TIFT. Take the farmer. There are millions of feet of timber that every year has been deadened, burned up, in clearing lands. Those people now, the farmers that have gotten timber areas, are trying to preserve them. They are raking it and protecting it from fire, and taking care of it with a view of holding it.

Mr. LONGWORTH. They are eventually going to cut it, are they not?

Mr. TIFT. Eventually, yes.

Mr. LONGWORTH. Then how is that conserving the forests? They will hold it a year or two, and the men whom you entitle the "strong men," the owner holding the largest amounts, are going to sell their timber at higher prices than they are getting now?

Mr. TIFT. I do not think it is a question of a year or two; I think it is a question of a good long period.

Mr. LONGWORTH. How long?

Mr. TIFT. Oh, well, I think that that would be governed largely by conditions.

Mr. LONGWORTH. They are not holding it for patriotic purposes, are they?

Mr. TIFT. No; I do not think so.

Mr. LONGWORTH. But to make money on it?

Mr. TIFT. I do not think the average citizen is doing business on a patriotic basis.

Mr. LONGWORTH. But your proposition is, as I understand it, that the high price of stumpage is a tendency in the direction of conserving forests?

Mr. TIFT. Yes, sir.

Mr. LONGWORTH. And I do not understand that. You say that it is a question of time. How long a time? Is it not simply the time when they are going to get the prices they are holding it for?

Mr. TIFT. That may be, to some extent. For instance, you take this question of utilizing everything in a tree. That will prolong the life of every sawmill operation, and as stumpage values increase steadily, and lumber values increase, the same rule would apply in timber that would apply in any other investment; they are going to conserve and take care of it. For instance, you take the average sawmill man after his timber has been boxed for turpentine; he will not even go into the woods to rake it and protect it from fire. He figures that it will cost him more to do it than the loss he would suffer from the trees burning. All those factors go into the question of forest conservation and preservation.

Mr. LONGWORTH. You lay it down absolutely that the lowering or the taking off of the duty on lumber would have no effect whatever on the forest conservation?

Mr. TIFT. I think it would hinder it.

Mr. LONGWORTH. What would be the effect of raising the tariff on lumber?

Mr. TIFT. Well, I think that the tariff is pretty near on proper lines now, sir.

Mr. LONGWORTH. You do?

Mr. TIFT. Yes, sir.

Mr. LONGWORTH. You state that the reduction of the tariff on lumber would tend to destroy the forests at a greater rate than now?

Mr. TIFT. Yes, sir.

Mr. LONGWORTH. Will you kindly explain that?

Mr. TIFT. Our mill operations could not go on; the large investments in timber, in timber leases—

Mr. LONGWORTH. Well, in the first place, it could not be so profitable to cut lumber as now if the tariff was taken off; is that it?

Mr. TIFT. It would probably destroy the profit on our lumber up to certain grades.

Mr. LONGWORTH. If it was less profitable, why would you cut more?

Mr. TIFT. Simply we would go into the woods and we would cut the timber that we had profit in, that portion of the tree that we had profit in, leaving the balance in the woods or put them in the slab pits. It would set us back ten, fifteen, or twenty years. For instance, when I went to commence sawmilling we got from 2,000 to

2,500 feet to the acre of timber. That was thirty-six years ago. That has gradually advanced until, as we are cutting lumber to-day, and utilizing larger portions of every tree we cut, and cutting inferior trees, that same acreage will cut 10,000 feet to the acre under our method of logging to-day. Now, if our markets go off as they have this year, then we are simply getting out our high-grade lumber and putting the balance in the slab pits or leaving it in the woods; cutting the butts of the trees, the best timber, and leaving the balance to go to waste. That is where it would affect the conservation of the forests very seriously.

Mr. LONGWORTH. I wanted to be perfectly certain as to your proposition. You lay it down as a proposition, that the taking off of the tariff on lumber would tend to destroy the forests of this country at a more rapid rate than they are being destroyed now.

Mr. TIFT. Yes, sir. That would be the effect in our section of Georgia and Florida. Now, that might not be true of the entire section of the country.

Mr. LONGWORTH. But I am asking you about this country.

Mr. TIFT. I can only answer for the sections that I am familiar with, and as to the other sections it would only be an opinion.

Mr. LONGWORTH. I was not asking you about Georgia, but was asking you about the forests of this country. What do you say about that?

Mr. TIFT. I think that that principle would hold generally, sir.

Mr. LONGWORTH. You do?

Mr. TIFT. Yes, sir.

Mr. LONGWORTH. You state that as your opinion as an expert on lumber?

Mr. TIFT. I am speaking as to the manufacturing proposition. Where there are large areas of timber held by speculators, that might be a different proposition. I am speaking from the manufacturing standpoint.

Mr. LONGWORTH. In Georgia?

Mr. TIFT. Well, I think the same principle would apply generally.

Mr. LONGWORTH. Then, you don't think that the taking off of the tariff on lumber would tend to more rapidly decrease the forests?

Mr. TIFT. No, sir; I do not.

Mr. LONGWORTH. You just said that you did, and I will ask the reporter to read my question, so that you may hear it again.

(The reporter reads the following question and answer: "Mr. Longworth. You state that the reduction of the tariff on lumber would tend to destroy the forests at a greater rate than now?—Mr. Tift. Yes, sir.")

Will you now kindly explain exactly what you mean?

Mr. TIFT. I think you misunderstood me.

Mr. LONGWORTH. Then, do you desire to qualify that statement that you made?

Mr. TIFT. No; I believe I will stand by that now.

Mr. LONGWORTH. As a proposition affecting the forests of this country?

Mr. TIFT. Yes, sir; and for the reason that I stated.

Mr. FORDNEY. Anything that would tend to reduce the price of low grade or bring in greater competition to lessen the sales of low-

grade lumber would have a tendency to compel you to leave that lumber in the woods, because there would be no profit in it?

Mr. TIFT. That is true.

Mr. FORDNEY. And that would have a tendency to destroy instead of conserving the forests?

Mr. TIFT. Yes, sir.

Mr. FORDNEY. Much has been said about the high price of lumber in this country, and the duty of \$2 a thousand upon rough lumber being responsible for it. Has the price of rough lumber in the market in the past ten or twelve years, or during the life of the Dingley law, advanced any more in price than the average agricultural product?

Mr. TIFT. No, sir; it has not. And I want to say right there that in 1872 the price of 3 by 9 South American deals in Brunswick, Ga., was \$16 a thousand on the cars. That same lumber has been sold this year for less than \$16, and the market report to-day on that class of lumber quotes it as \$16.

Mr. FORDNEY. What was the price of the product of a log in your mill in 1896, under free trade, when there was no duty on lumber? What did you get for the average product of the log then, when it was extremely low?

Mr. TIFT. I would have to quote from memory, and I would not like to do that, because it might be wrong.

Mr. FORDNEY. Do you remember whether it was half what you are getting for it now, or more, or less?

Mr. TIFT. It has varied a great deal. The difference in the market then and now is because in the last few years we have been marketing more and more of the trees—sap lumber and kiln-dried lumber, and that class of stuff—which we did not make years ago; and there are certain classes of lumber, ordinary dimension, in which there has not been a very large variation of price in twenty years. For instance, in the fall of 1904—I am speaking now of the ordinary dimension shipped through the ports, 8, 9, or 10 inch lumber—it was as low as it has been at any time in twenty-five years.

Mr. FORDNEY. About what price did you get for it?

Mr. TIFT. Dimension lumber was sold in the fall of 1904 f. o. b. port of Jacksonville—there was a cargo sold at \$10 a thousand.

Mr. FORDNEY. What do you sell for there now?

Mr. TIFT. The same lumber to-day is worth about \$14.

Mr. FORDNEY. From \$10 up to \$14. Isn't it true that the average agricultural product has doubled in price in that time?

Mr. TIFT. Yes, sir; I think it is true.

Mr. FORDNEY. And that there is more protection to the agricultural products than lumber?

Mr. TIFT. Yes, sir.

Mr. CRUMPACKER. Here is a proposition that Mr. Fordney has overlooked in his effort to show that higher lumber conserves forests, and that is when lumber is high the consumer is more frugal in its use. Is not that the case?

Mr. TIFT. Yes, sir.

Mr. CRUMPACKER. He paints his barns and buildings, for the purpose of preserving them, more carefully; perhaps takes the roof in out of the rain when the storm comes?

Mr. TIFT. Yes; and he uses other material.

Mr. CRUMPACKER. As substitutes?

Mr. TIFT. Yes; uses other material to some extent—brick and cement.

Mr. CRUMPACKER. It prompts a more frugal use by the consumer when it is high than when it is low.

Mr. LONGWORTH. Then, if we were engaged in revising the tariff on lumber solely with the idea of conserving the forests, would you advocate a substantial increase in the duty, therefore raising the price of lumber and preventing the destruction of the forests?

Mr. TIFT. No, sir; I do not quite take that position.

Mr. LONGWORTH. Why not? A moment ago you followed out that theory. You say that the higher the price of lumber the less the destruction of the forests. You say that the price of lumber depends upon the tariff, and therefore if we raise the tariff it will raise the price of lumber and prevent the cutting of the forests?

Mr. TIFT. No; I think there is a limitation there.

Mr. LONGWORTH. Where does it come in?

Mr. TIFT. To the point of giving us a market so that we may utilize our whole tree. That is what we are trying to get.

Mr. LONGWORTH. You want to get the price of lumber higher, do you not?

Mr. TIFT. We do not ask for a tariff that would give us a great big margin on low-grade lumber, but we are trying to bring about a condition that will do away with the waste. Speaking upon the question of forest conservation, and of course speaking upon the question of profit, we are trying to get the market so that when we cut a tree and take it to the mill we can get all there is in the tree; so that we can break even on the low-grade stock.

Mr. LONGWORTH. Has the tariff any effect on the price of that tree?

Mr. TIFT. Yes, sir.

Mr. LONGWORTH. If it was reduced, it would lower the price of the tree, would it?

Mr. TIFT. It would if it destroyed our markets.

Mr. LONGWORTH. I am talking about the price of the tree, and surely you can answer that question. Has the tariff any effect on the price of the tree?

Mr. TIFT. We think so; yes.

Mr. LONGWORTH. If you lowered it, would it lower the price of the tree?

Mr. TIFT. I think that would be the effect.

Mr. LONGWORTH. If you raised it, would it raise the price of the tree?

Mr. TIFT. It would seem so; yes, sir.

Mr. LONGWORTH. Then, the higher you raise it the higher it would raise the price of the tree?

Mr. TIFT. I think that is true.

Mr. LONGWORTH. Well, then, the higher the price of lumber the less tendency there would be to destroy the forests?

Mr. TIFT. Yes, sir.

Mr. LONGWORTH. Then, if we raised the tariff it would be a move in the direction of conserving the forests?

Mr. TIFT. Taking it from that view point; yes, sir.

Mr. LONGWORTH. That is your opinion as an expert, is it?

Mr. TIFT. Well, I think there might be other considerations that would come in there.

Mr. LONGWORTH. Oh, yes.

Mr. TIFT. That would be one factor.

Mr. FORDNEY. I did not ask you whether by taking the duty off it would reduce the price of the tree. If you were a manufacturer and owned the tree, it would affect the price of a tree if you could not market the low grade in it and must leave that in the woods?

Mr. TIFT. Yes, sir.

Mr. FORDNEY. Are you selling low grades to-day below cost?

Mr. TIFT. Largely; yes, sir.

Mr. CHUMPACKER. That is a slightly leading question.

Mr. FORDNEY. And that is what I want, and I think I know about as much about the business as that gentleman does.

The CHAIRMAN. Do you want to keep the duty on lumber so as to sell the low grade below cost?

Mr. TIFT. We want to get a little margin.

The CHAIRMAN. Sell below cost and therefore keep the duty on.

Mr. FORDNEY. You are selling low grade below cost now, are you not?

Mr. TIFT. Some of it.

Mr. FORDNEY. I know we are, and we are in the business. Low grades are selling below what it costs to produce them, to say nothing about the stumpage.

The CHAIRMAN. And you get a large price on the upper grades?

Mr. FORDNEY. No; I do not believe we do, any more than the average lumberman, but the whole gist of this is that your product is not protected in proportion to the ad valorem value of the other products of the country; is not that right, Mr. Tift?

Mr. TIFT. That is true.

HON. E. B. VREELAND, M. C., FILES RESOLUTION OF THE JAMESTOWN (N. Y.) MANUFACTURERS' ASSOCIATION RELATIVE TO REMOVAL OF DUTY FROM LUMBER.

JAMESTOWN, N. Y., *December 7, 1908.*

HON. E. B. VREELAND, *Salamanca, N. Y.*

DEAR SIR: At our annual meeting held December 1 the following resolution was adopted (introduced by Cyrus E. Jones):

Resolved, That our Congressman, Hon. E. B. Vreeland, be requested to use his influence to remove the present duty on lumber.

Representing, as we do, a large element of furniture manufacturers, we beg to point out that no large fortune has ever been acquired in this line of manufacturing; on the contrary, the profits in this trade are admittedly small. Neither at the present time, nor in the past, have furniture manufacturers attempted by trust or combination methods to fix or regulate prices on furniture products. The forests of this country are being rapidly depleted and the lumber is month by month coming into stronger hands. All of which facts are matters of common knowledge, and we submit that Congress can hardly refuse to give us such lumber as we import free of duty.

Very truly, yours,

THE MANUFACTURERS' ASSOCIATION,
OF JAMESTOWN, N. Y.
R. J. BOOTY, *Secretary.*

SKILLINGS, WHITNEYS & BARNES LUMBER COMPANY, OGDENSBURG, N. Y., RECOMMENDS FREE LUMBER, AND SUGGESTS NEW LUMBER SCHEDULE.

OGDENSBURG, N. Y., *December 11, 1908.*

HON. S. E. PAYNE,

Chairman Ways and Means Committee,

Washington, D. C.

DEAR SIR: We address you on the subject of duties on lumber.

We (Skillings, Whitneys & Barnes Lumber Company) have been lumber merchants since 1856. During these years we have maintained large distributing yards at Ogdensburg, North Tonawanda, and Burlington. To-day our business is all concentrated at Ogdensburg, where we have invested over \$500,000 in yards, planing mills, and box shop.

We pay out yearly in wages over \$350,000.

We buy lumber in Michigan and Canada, wherever it is the cheapest, bring it to Ogdensburg, where it is manufactured or dressed in our planing mills for local and export trade; and, besides, we use annually about 15,000,000 feet of lumber in our box shop.

We are merchants, and do not own any timber limits either in Michigan or Canada.

We wish to divide our argument, as it were, on this subject into two sections:

First. Relative to the duty of \$2 per thousand feet on rough lumber: We believe this duty should be abolished, because throughout the States we do business in, namely, New York, Pennsylvania, New Jersey, and the New England States, white-pine lumber is almost extinct. To-day it is imperative to buy a large portion of the white-pine lumber in Canada to supply the trade in these States, and because this is the condition, why pay duties of \$2 per thousand feet on an article the people must buy in Canada?

The removal of the duties, in my opinion, will be beneficial to the people at large through these States. The only reason for a duty on rough lumber, in our opinion, is to furnish revenue.

Second. Relative to the duty on manufactured lumber: There is to-day an additional duty on lumber when it is planed or manufactured in Canada and brought into the United States. We recommend the following duties on planed or manufactured lumber: When lumber of any sort is planed or finished, in addition to the rates fixed by the Government on rough lumber, there shall be levied and paid, viz, for each side so planed or finished, 50 cents per thousand feet board measure; if planed on one side and tongued and grooved, \$1 per thousand feet board measure; if planed on two sides and tongued and grooved, \$1.50 per thousand feet board measure.

If lumber is jointed on one or two edges of a board, the duty shall be assessed the same as if tongued and grooved. (And in estimating board measure under this schedule no deduction shall be made on board measure on account of planing, tonguing, and grooving.)

When lumber is worked into clapboards, novelty sidings, or into moldings, 15 per cent ad valorem.

Pickets, palings, and staves of wood of all kinds, 10 per cent ad valorem.

Casks, barrels, and hogsheds (empty), sugar boxes, shooks, and packing boxes (empty), and packing-box shooks of wood, 30 per cent ad valorem. The foregoing duties are recommended for the following reasons:

First. If this protection is not afforded, the planing mills on the border between the United States and Canada will be badly handicapped and gradually their business will be driven to the lumber sections of Canada, like Ottawa, Midland, Arnprior, etc. Why bring lumber from the lumber centers of Canada into Ogdensburg, Burlington, or Tonawanda, pay labor to have it sorted into grades, then pass it through planing mills here, if the duties on manufactured lumber are abolished and this planing work can be done direct at Ottawa, Midland, etc.?

Second. Removal of the duties on box shooks will, in our opinion, close 50 per cent of the box shops within two years and drive this business entirely into Canada, throwing out of employment thousands of American workmen.

You ask why? If a Canadian manufacturer of lumber is allowed to make box shooks near a sawmill he can use up waste material that will not pay freight. Besides this, he saves the "actual waste" that we and all other box shops make in the manufacture of shooks, say 15 per cent. His labor is cheaper. To-day labor is paid in Canada \$1.25 to \$1.50 per day, and we pay here \$1.90 to \$2 per day. If the tariff is once removed the shook business now carried on at Burlington, Rouses Point, Ogdensburg, Oswego, and Tonawanda would be destroyed.

Third. We urge the retention of duties on dressed lumber and on box shooks to protect American labor and to retain in the United States the business that American workmen have built up.

If the present duties are reduced in any way the trade advantage will go to the Canadian. Already there has been built in Ottawa, by W. C. Edwards & Co., the largest and best-equipped planing mill in the world at a cost of over \$500,000. If this large concern is once given a free entrance into the United States with planed lumber, what will prevent it and others from taking trade from us and other American concerns? W. C. Edwards & Co. are not the only people in Canada who will erect planing mills if the duties on manufactured lumber are reduced in any way. In our opinion planing mills and box shops will grow like mushrooms in the night, and this business, which for fifty-three years has been maintained here, giving employment to hundreds of men, will be seriously handicapped.

If that condition occurs, we will have to face this dilemma:

First, either reduce our business to much smaller proportions, or, second, remove one of our large planing mills immediately to one of the lumber centers of Canada, so we can compete successfully with our Canadian competitors.

In conclusion, we urge your honorable body to maintain duties on planed lumber in the interest of American industries and American workmen.

I remain, dear sir, yours, respectfully,

SKILLINGS, WHITNEYS & BARNES LUMBER CO.,
THOMAS F. STRONG,
General Manager.

**HON. D. S. ALEXANDER, M. C., SUBMITS LETTER OF H. L. WHITE,
NORTH TONAWANDA, N. Y., RELATIVE TO LUMBER.**

WASHINGTON, D. C., *December 15, 1908.*

HON. S. E. PAYNE, M. C.,

Chairman Committee on Ways and Means.

MY DEAR MR. PAYNE: I beg to inclose for such consideration as may be proper letter from Mr. H. L. White, North Tonawanda, N. Y., giving his reasons for opposing reduction of the duty on rough and dressed lumber.

Cordially, yours,

D. S. ALEXANDER.

NORTH TONAWANDA, *December 14, 1908.*

HON. D. S. ALEXANDER, M. C.,

House of Representatives, Washington, D. C.

DEAR SIR: If not too late and your opinions are in line with those expressed in this letter regarding the import duty on lumber from Canada, we should be pleased to have you use your influence in our behalf in accordance with our ideas as here expressed:

We are sure to reduce the duty on what is classed as "dressed lumber" coming from Canada to the United States would be a calamity to all box factories, planing mills, and other woodworking establishments in the United States, and especially so along the border and territory adjacent thereto, covering a very large part of the manufacturing territory of the United States, as it would take these manufacturing institutions to the source of supply of raw material and necessitate proprietors of woodworking plants to remove their factories from this country to Canada, thereby taking American capital into Canada and the work away from American labor; the reason for this being that it would be impossible for proprietors of woodworking institutions in this country to bring the raw material (which would be in the shape of rough lumber sawn from logs) into this country, manufacture it here, and compete with plants which are already and would be established in Canada, on account of plants located in Canada being able to ship cheaper the finished product from point of manufacture than could be done by bringing the raw material to this country, manufacturing it here, and reshipping.

Through freight rates from Canada are a good deal lower than the combination of two freight rates—one from Canada to this country and one from point of manufacture in this country to point of sale—but I think more important even than this is the fact that the large owners of timber in Canada are trying to reach the American market for the finished product direct, which would cut out the possibility of middlemen in this country, owners of lumber yards, planing mills, furniture factories, and all woodworking institutions of that kind buying the raw material from Canadian manufacturers, bringing it here and manufacturing it on this side, and would take away from that branch of labor their work and wages, and take American capital to Canada.

As to the duty on rough lumber, we think it is immaterial to users of lumber in this country whether or not the duty is left on or taken off. We think it would be a question between the Canadian manufacturer of lumber and the United States Government; it is simply

a question of who gets the amount of the duty. If it is taken off or reduced, the Canadian manufacturer will at once advance his prices to that extent; if it is kept on, the United States Government will get the amount of the duty; but in either event the users of lumber in this country will not in any way be affected. It would, of course, be a big benefit to holders of Canadian timber to have the duty on rough lumber removed, as it would at once increase the value of their holdings to that extent.

Yours, very truly,

WHITE, FROST & WHITE,
By H. L. WHITE.

**THEODORE M. KNAPPEN, MINNEAPOLIS, MINN., FILES SECOND
SUPPLEMENTAL BRIEF ON FREE LUMBER.**

DECEMBER 23, 1908.

HON. SERENO E. PAYNE,

*Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.*

DEAR SIR: We observe that on the 19th of December a Georgia lumberman appeared before your committee to protest against the repeal of the lumber tariff on the ground that the southern yellow-pine manufacturers could not compete with Canadian manufacturers in the New York market in the event of the repeal of the duty.

We would therefore like to call your attention to the following correspondence and have it incorporated in the record of testimony being made up by your committee.

The Senator Edwards who figures in this correspondence is a member of the Canadian Parliament and a leading lumber manufacturer of Ontario. He was the official representative of the Dominion of Canada at the recent conference of the conservation commission and the governors of the States and Territories.

This correspondence conclusively shows that while the southern manufacturers are complaining that they could not compete with the Canadian manufacturers in the New York market in the event of the repeal of the duty they have been giving the Canadian lumbermen ruinous competition in Ontario this very year. Senator Edwards assures us orally that he is confident that North Carolina pine has been sold in Ontario this season at lower prices than it was offered in New York.

In addition to this correspondence we would call your attention to the fact that the Grand Trunk Pacific Railway, which is now building a transcontinental railway across Canada, recently purchased an immense amount of timber required for its construction work in British Columbia from United States coast mills, the American lumbermen making tenders lower than the British Columbia manufacturers can make them for delivery in their own provinces.

Recently the Canadian Pacific Railway was in the market for a large quantity of lumber and timber for its western lines and received bids on southern pine so much lower than those offered by the British Columbia mill men that the company notified the latter that they would be compelled to buy their supplies in the United States unless the British Columbia manufacturers would make equally good prices.

We state these facts as a matter of common knowledge and report, but, if desired, believe that the particulars can be authoritatively obtained.

Very sincerely, yours,

NATIONAL FOREST CONSERVATION LEAGUE,
Per THEO. M. KNAPPEN, *Secretary*.

EXHIBIT A.

ROCKLAND, ONTARIO, *December 22, 1908.*

THEODORE M. KNAPPEN,
Minneapolis, Minn.:

You are at liberty to use my letter, also the copy of the telegram to Sir Wilfrid Laurier and letter in witness on pulp question, in any way you desire. Take no stock in childish statement that Canadian government will impose export duty on forest products if American Government removes import duties. Such too absurd for consideration. It is ridiculous.

WM. C. EDWARDS.

EXHIBIT B.

ROCKLAND, ONTARIO, CANADA, *December 17, 1908.*

MR. THEODORE M. KNAPPEN,
903-905 New York Life Building,
Minneapolis, Minn.

DEAR MR. KNAPPEN: Recalling the promise I made you at Washington a few days ago, I herewith inclose copy of the telegram I sent Sir Wilfrid Laurier on June 1, after a large deputation of lumbermen had called upon him and our minister of finance, begging for the imposition of a duty on southern pine coming from the United States, which was then and for the most of the time since deluging our Canadian markets, produced and sold so cheaply that it has been impossible for us to compete. Hard of course for the moment on us lumber producers, but a great benefit to the buyers and users of lumber.

The ground I take is that we will win in the end. If you Americans are foolish enough to exhaust your forests, not only to supply your own wants but ours also, our timber will grow and become more valuable in the meantime, which will result in great ultimate profit to us.

I am taking the liberty of sending you a paper also, which has a letter in it I hurriedly wrote something over a year ago on the pulp question.

With kindly remembrances of our meeting at Washington, I am,

Yours, sincerely,

WM. C. EDWARDS.

ROCKLAND, ONTARIO, *June 27, 1908.*

Right Hon. Sir WILFRID LAURIER,
Ottawa, Ontario:

Most sincerely and earnestly hope you will pay no regard to unjustified demand made upon you for a duty on southern pine coming from United States. The demand arises in consequence of a temporary stagnation in our business, which will soon pass away. The imposition of the duty would be most trifling, in so far as mitigation of the present dullness in Canadian trade is concerned, and would be most unpopular, excepting with a few avaricious lumber manufacturers. I sincerely beg you to allow one Canadian industry to exist without placing it in the dishonorable and despicable position of robbing the consumers of its product for its benefit.

WM. C. EDWARDS.

EXHIBIT C.

ORIENTALS IN BRITISH COLUMBIA SAWMILLS.

NELSON, BRITISH COLUMBIA, *December 17, 1908.*

Mr. THEODORE M. KNAPPEN,
Minneapolis, Minn.

DEAR SIR: In reply to your inquiry with reference to the number of Orientals employed in the mountain mills, I have pleasure in giving you the following information:

In the mountain district of British Columbia we have 65 sawmills, with a ten-hour capacity of 3,300,000 feet, which is 60 per cent of the entire producing capacity of the mills of the Province. When in full operation these mills employ in the aggregate about 4,000 men, including those at the sawmills, planing mills, and yard work. From my personal knowledge I can state that less than 400 Orientals were employed this season by the mills in the interior. The above does not include any men employed in bush work, and I estimate that when the camps are in full operation taking out logs for the supply of all our plants that over 6,000 additional men would be employed in bush work. It would be safe to say that in good times the lumber industry of our district employs in both mills and camps in the busy season 8,000 men. Thus the percentage of oriental labor is in good times only 5 per cent. As you are probably aware, oriental labor is not used in woods work, with the exception possibly of an occasional Chinese cook.

With regard to your question as to the relative wages paid in this district as compared to those in effect in the interior districts of Washington, Idaho, and Montana, would say that it is generally understood here that our schedule is higher in the average than in the country to the south.

You are probably aware that in British Columbia public sentiment is strongly against oriental labor of any kind, and for your information I would say that the Dominion government is making a determined effort to prevent any more Hindoos coming into the country and is endeavoring to effect an arrangement whereby those now in our Provinces should be sent out to the Honduras. With reference

to Chinese immigration, would say that there has been in force for some time a head-tax of \$500 on every Chinaman coming into the country, and this is practically prohibitive, as the returns for the past few years demonstrate. Last year an arrangement, known as the "Lemieux treaty," was effected with the Japanese Government, which provides that not more than 400 Japanese coolies shall be allowed to leave their native country for Canada in any one year. It is very unlikely that the number of Orientals employed by the interior mills will therefore be increased in the future. In fact, indications are that a lesser number will be available for the manufacturers of this district.

In reply to your query with regard to the relative cost of producing lumber in the mountain district of British Columbia as compared with the interior of Washington, Idaho, and Montana, I beg to say that, in my opinion, our cost is considerably higher exclusive of the value of the standing timber. In the main, stumpage in the interior of British Columbia is still cheaper than in the districts named to the south of us. The nature of the country in this district is much rougher than in the States referred to and is conducive to more expensive logging costs.

Very truly, yours,

W. A. ANSTIE,
Secretary.

THEODORE M. KNAPPEN, MINNEAPOLIS, MINN., SUBMITS STATEMENT RELATIVE TO INCREASE IN LUMBER PRICES.

MINNEAPOLIS, MINN., *December 21, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Some of the lumbermen who appeared before the Ways and Means Committee in the interest of retention of the present tariff on lumber made light of the impending exhaustion of our forests and the consequent manifest necessity of drawing freely on the forest products of other nations while instituting measures for the conservation of our domestic forests. In view of that attitude the following reproduction of an editorial article published in the *American Lumberman* (leading lumber trade publication) September last will be found interesting and instructive, especially as this publication is now vigorously contending for the retention of the lumber duties. It will be observed that the *Lumberman* attributes the high price of lumber to the fact that it is getting scarce:

As any commodity in common use and needed by the community becomes scarce, the pressure of competition is felt and prices advance.

Yet the American people are asked to continue to tax themselves by the way of tariff on imports for the benefit of an industry whose supply of raw material is getting scarcer and scarcer and will inevitably continue to do so.

WHITE-PINE PRICES SIXTEEN YEARS AGO AND NOW.

An interesting comparison as to white-pine prices is made possible by three price lists lying before us. All are f. o. b. mill prices at Marinette, Wis. The first bears date of April, 1892; the second of October 1, 1907; and the third of July 1, 1908. The last two named are identical in form, having been issued by the same concern only nine months apart, but the first is so different in its items that no complete comparison is possible.

For example, in 1892 thick clears and selects finishing lumber and 8, 10, and 12 inch stocks headed the list. In the present list common boards take the lead. In 1892 there were A selects, B selects, and C selects and better, C select, and D select. The stock boards of the old list are represented in the inch finishing lumber of the new. In 1892 the headings were wide inch uppers, A select, B select, and C select. In the new list the best grade is D select and better, and there is a division according to the width which did not exist in the old days.

Except as for a few isolated items, therefore, it is possible to compare only fencing, common boards, some items of flooring, and piece stuff. The table thus made up—not going into all the details of grades and dimensions—is as follows:

	1892.	1907.	1908.		1892.	1907.	1908.
FENCING.				COMMON BOARDS—CON.			
6-inch No. 1.....	\$15.00	\$32.00	\$31.00	12-inch No. 3.....	\$9.50	\$26.00	\$22.50
4-inch No. 1.....	12.00	30.00	28.00	FLOORING.			
4-inch No. 2.....	9.00	26.00	24.00	No. 1, fancy.....	16.50	33.00	32.00
4-inch No. 3.....	7.00	19.00	16.00	C, fancy.....	25.00	47.00	47.00
6-inch No. 2.....	12.00	29.00	27.00	PIECE STUFF.			
6-inch No. 3.....	9.00	21.50	18.50	2 x 4, 12, 14, and 16.....	11.50	23.00	20.50
COMMON BOARDS.				2 x 6, 12, 14, and 16.....	10.00	27.50	25.00
8-inch No. 1.....	12.50	30.00	28.00	2 x 8, 12, 14, and 16.....	11.00	27.50	25.00
8-inch No. 2.....	11.00	28.00	26.00	2 x 10, 12, 14, and 16.....	10.50	29.00	26.50
8-inch No. 3.....	10.00	25.00	22.50	2 x 12, 12, 14, and 16.....	11.50	30.50	28.00
10-inch No. 1.....	12.50	31.50	31.50	3 x 12, 12, 14, and 16.....	11.50	31.50	29.00
10-inch No. 2.....	11.00	28.00	27.00	White pine lath.....	2.00	5.00	4.00
10-inch No. 3.....	10.00	25.00	23.50				
12-inch No. 1.....	14.00	37.00	37.00				
12-inch No. 2.....	12.50	31.00	31.00				

April, 1892, did not represent the top of the boom which ended with the panic of 1893. Prices continued to advance so that the figures given above can be increased from \$1 to \$3 a thousand. The advance continued on most items until well into 1893, though warnings of that financial calamity were given some months before. October 1, 1907, however, witnessed the top of the lumber market prior to the panic of last year. July 1, 1908, prices had somewhat recovered from the decline which reached its bottom in April. Still the difference between October 1 last and July 1, 1908, is a considerable one. Inasmuch, however, as prices of the last year are likely to prevail again within a year or two, the list of 1907 should be contrasted with that of 1892.

Almost invariably a price list is at least slightly above the average selling prices, and it is safe to assume that such is the case in the lists here quoted, but the comparison is nevertheless a fair one.

In 6-inch No. 1 fencing the advance was 113.3 per cent; in 6-inch No. 2 it was 141.7 per cent; in 10-inch No. 1 common boards, 144 per cent; in 10-inch No. 2 common boards, 154.5 per cent; in 10-inch No. 3 common boards, 150 per cent. No. 1 fence flooring during the fifteen years increased in value 100 per cent and C flooring 88 per cent.

Price of 2 by 4 piece stuff increased 100 per cent; of 2 by 6, 175 per cent; of 8 by 8, almost 160 per cent; of 2 by 10, 166½ per cent; of 2 by 12, 165.2 per cent.

In 1892 the price of 1½-inch C selects was \$26; in 1907, \$49; 2-inch C selects in 1892 were \$27; and in 1907, \$51.

It is evident from the lower ratio of increase on good lumber that in 1892 that grade of stock had, to some extent, received the benefit of the advance which later was to benefit the common grades also.

Undoubtedly it is this sort of an advance which has aroused the ire of many people and led to talk of a lumber trust. An average advance of 100 per cent in fifteen years in a commodity based on a natural resource seems enormous; it is merely the expression of inflexible economic influences. As any commodity in common use and needed by the community becomes scarce the pressure of competition is felt and prices advance. But the advance itself has to be divided among various factors, all influenced by this same pressure of competition.

White-pine lumber is scarcer simply because timber is scarcer, and that scarcity has led to competition among the mills for its purchase and use, so that the advance in timber has been in greater ratio than that in lumber.

In addition, prices of all materials and supplies have advanced. From the timbers and brick that go into the construction of a mill building to the machinery and belting and every last appliance and tools prices are much higher than they were fifteen years ago.

Wages have shown a similar advance in every department of the lumber business—from the woods to loading the lumber onto cars. One exception may be noted—the wages of band-saw filers. In 1892 the band saw, while in general use, was still a new tool, and those who knew how to put it and keep it in condition for work commanded fancy wages which later, as a larger number of men became expert, declined. Everyone, however, from the common laborer to the skilled craftsman, demanded and received higher prices, so that in 1907 in many lines of work wages were double what they were fifteen years before, and in all, with the one exception noted, there had been a substantial increase.

In spite of all the explanations that can be made, the bald comparison is a startling case. It indicates how far the cutting away of our white-pine resources has progressed, and is significant of the future that confronts every other of our great commercial woods. Yellow pine has already begun to feel the influence of restricted timber supply, and within a few years more the west coast woods—even fir, now so abundant—will testify in their prices for stumpage to the fact that they will be the last great resource of our timber users.

COMMENT ON THE ABOVE.

Wages in the lumber industry increased about 25 per cent from 1892 to 1907 (pp. 100-101, Bulletin No. 77, Bureau of Labor), but in 1908 our own inquiry shows that they were reduced from 10 to 20 per cent. However, none of the other great commodities have increased in relative price as much in recent years as lumber. (See pp. 200-301, Bulletin No. 75, Bureau of Labor.) So neither increased cost of labor nor commodities can account for an increase of more than 100 per cent in the wholesale cost of lumber. The increase, therefore, must be ascribed chiefly to profits and increased cost of stumpage—timber. Increases in these items simply reflect the increasing scarcity of timber supplies—in other words, the exhaustion of our forests. Is it, then, fair to our people to make them contribute a tax of \$2 to \$3.50 per thousand of the lumber they must use to put a premium on the *destruction* of our forests, for the *replacing* of which they will inevitably be taxed again?

THEODORE M. KNAPPEN,
NATIONAL FOREST CONSERVATION LEAGUE.

(NOTE.—Italics are ours.—National Forest Conservation League.)

J. M. GREER, OF KNOXVILLE, TENN., ADVOCATES RETENTION OF PRESENT DUTIES ON TIMBER AND LUMBER.

KNOXVILLE, TENN., *December 28, 1908.*

HON. SERENO E. PAYNE,

*Chairman Committee on Ways and Means,
Washington, D. C.*

DEAR SIR: I see that your committee is now engaged in hearing the various interests of the country upon the question of a revision of the tariff, or of the present tariff schedules. I write you this letter as a native-born Southerner upon the subject of tariff upon timber and lumber. I am unalterably opposed to any change in the present tariff schedules upon either timber or upon lumber, and I give you my reasons therefor.

With all due deference to the opinion of the politicians to the contrary, I will say that the South needs, should have, and the people want protection for their timber and lumber. Excepting cotton, it is the largest asset they have to-day. It is here in large quantities. Along the railroads some, it is true, has been cut and removed, but in the interior it is largely virgin, and I am sure that there is enough here to supply the people of the United States for twenty years, especially the cheaper grades, such as pine, and I might add oak. Of these there is a very large quantity. Poplar and walnut are getting more scarce, especially the latter. I know of large quantities of timber that can be bought on the stump to-day at \$2 per thousand feet, board measure, and much of it within less than 1 mile of the railroad. But even at this low price the sawmills, a majority of them, are to-day closed down on account of the low prices of lumber. They are unable, they say, to get enough out of it to pay expenses of running their mills. I am not interested in the manufacture of lumber in any shape or form, more than any other citizen who has the interest of his country at heart. But I sincerely believe that it would be a great injustice to the people here to admit lumber or timber free.

I own an interest in 4,000 or 5,000 acres of timber land, 2,000 of this within less than a mile of the railroad, which I have been trying to sell for years, on the stump, at \$2 per thousand feet board measure, and have not so far found a purchaser. I have found one party, a mill man, who proposed to take it, if I would accept lumber in payment, at \$10 per thousand f. o. b. the cars at the mill. This proposition I refused, as I can buy lumber cheaper and do not feel like selling my timber for less than the price named. This offer refers to pine only. He offered me \$4 for my poplar and oak, and proposed to deliver this on the railroad for \$20 per thousand, in payment of the same. I am somewhat interested in the manufacture of furniture, and we are buying lumber to-day at above prices f. o. b. the factory. I have been asked by some of the politicians why I am for a protective tariff, and my answer has been for the reason it was for the best interest of the country, the people. I was born and raised in the State of Tennessee, a Democrat dyed in the wool, yet I have voted for every Republican candidate for President that has been nominated by the Republican party since the war, and will include Abraham Lincoln in his second race for President, and the question of tariff was one of my principal reasons for doing so. In this, I have always believed, was the salvation of the country, and will include the Democrats, if not as a party, as citizens of the Commonwealth, and many of the party do and many of the politicians would, I believe, agree with me on this question if they only had independence enough to admit the facts. But here, like many other places, not excepting the North, it is with them the party first and the interests of the country second. The politicians lead and the party follow, a majority at least. You gentlemen know how this is yourselves, and it is therefore the more important that you guard the interest of the people, as they confide in you, the lawmakers and guardians of their interests.

The South, until the panic of October, 1907, was upon an era of prosperity hitherto unknown to this section. This prosperity, in my judgment, was due more to the protective system than to any other one cause. The South is now recovering to some extent, and, I might say, to a very considerable extent from that panic; and if the protec-

tive policies of the Government upon the resources of the South is continued, normal conditions will be resumed at a very early date, and the South will go forward by leaps and bounds, exceeding the dreams of the most optimistic. But if the tariff on wood and lumber is removed, then this asset of the South will, in my judgment, be practically paralyzed, and operations in that line will have to cease. I trust, therefore, that your committee will make no change in the present tariff upon this valuable southern asset.

With sincere respect, I beg to remain,

Yours, very truly,

J. M. GREER.

**MIXER & CO., BUFFALO, N. Y., THINK THAT CANADIAN LUMBER
SHOULD BE ADMITTED FREE OF DUTY.**

BUFFALO, N. Y., *January 2, 1909.*

HON. SERENO E. PAYNE,

Chairman Ways and Means Committee,

House of Representatives, Washington, D. C.

DEAR SIR: On receipt of a letter from one of our southern connections, of which we inclose a copy, we addressed to them a reply on the subject of the tariff on Canadian lumber, of which we also inclose a copy.

We beg to say in addition to this that we own no Canadian timber, nor are we in any way interested in any Canadian operation in lumber, and, in fact, have very small dealings in the Canadian field. We are, however, financially interested in 150,000,000 feet of standing timber in North Carolina. We can not therefore be accused of bias in either direction when we say that we believe most definitely that the country at large and the lumber trade will be benefited to a large degree if Canadian lumber is permitted to enter the United States free of duty.

We strongly urge that your committee give careful consideration to this question and, if possible, recommend the abolition of the duty on rough lumber.

Yours, respectfully,

MIXER & Co.,

Lumber Dealers.

By KNOWLTON MIXER.

DECEMBER 31, 1908.

MESSRS. MIXER & Co.,

Buffalo, N. Y.

GENTLEMEN: We would esteem it a special favor if you would kindly give us your views as to the probable effect on prices should the present tariff on lumber be removed on such grades as we are now handling, that is, Virginia short-leaf pine cut into box boards 4/4, 5/4, 6/4, and 8/4, and into framing 2 x 4 to 2 x 12 and squares 4 x 4 to 12 x 12. There seems to be quite a difference of opinion among the lumber people located here as to the effect of the removal of the present tariff on lumber.

Thanking you in advance for an expression from you, and wishing you a prosperous year, we are,

Yours, truly,

_____.

GENTLEMEN: Answering yours of the 31st ultimo, we do not think that the reduction or elimination of the tariff on lumber would affect the price of North Carolina framing lumber or timbers at all. There is but little white-pine framing lumber manufactured at the present time, and the prices are and will be so much higher than those of North Carolina pine that the \$2 per M. difference would not in any way affect it. We are in touch with Canadian prices and can give you an exact idea of the situation by quoting actual prices.

At the present time 2 x 6 and 2 x 8 inch white pine common, 10 to 16 feet, costs \$21 and \$22 per M. f. o. b. Canadian mill points, which, without the duty, would make the stock cost us \$23.50 to \$24.50 f. o. b. Buffalo.

North Carolina pine prices delivered Buffalo are about 2 x 6, \$18; 2 x 8, \$18.50; 2 x 10, \$19.50; 2 x 12, \$20.50; 2 x 10, \$1 higher; 2 x 12, \$2 higher; and there is not very much of the stock at that.

Canadian Norway, which is now getting very scarce, sells at about the same price; and, as a matter of fact, about all the product of this stock is taken up by the Canadian and English trade. Practically no white-pine timbers are manufactured in Canada. We know of one mill which does manufacture them, but the prices are so high that we have never been able to sell them on this side of the line. We believe that it would be a great benefit to the lumber trade and to the country at large to admit Canadian lumber free of duty. This, although we are ourselves interested in keeping up the price of North Carolina and yellow pine.

Yours, truly,

MIXER & Co.

ADDITIONAL STATEMENTS RELATIVE TO LUMBER AND DUTIES FILED BY THEODORE M. KNAPPEN, MINNEAPOLIS, MINN.

MINNEAPOLIS, MINN., *December 23, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Some of the lumbermen who appeared before the Ways and Means Committee in the interest of retention of the present tariff on lumber made light of the impending exhaustion of our forests and the consequent manifest necessity of drawing freely on the forest products of other nations, while instituting measures for the conservation of our domestic forests. In view of that attitude, the following reproduction of an editorial article published in the American Lumberman (leading lumber trade publication) September last, will be found interesting and instructive, especially as this publication is now vigorously contending for the retention of the lumber duties. It will be observed that the Lumberman attributes the high price of lumber to the fact that it is getting scarce: "As any commodity in common use and needed by the community becomes scarce, the pressure of competition is felt and prices advance." Yet the American people are asked to continue to tax themselves by the way of tariff on imports for the benefit of an industry whose supply of raw material is getting scarcer and scarcer and will inevitably continue to do so.

[From American Lumberman, September, 1908.]

WHITE-PINE PRICES SIXTEEN YEARS AGO AND NOW.

An interesting comparison as to white-pine prices is made possible by three price lists lying before us. All are f. o. b. mill prices at Marinette, Wis. The first bears date of April, 1892; the second, of October 1, 1907; and the third, of July 1, 1908. The last two named are identical in form, having been issued by the same concern only nine months apart, but the first is so different in its items that no complete comparison is possible.

For example, in 1892 thick clears and selects finishing lumber and 8, 10, and 12 inch stocks headed the list. In the present list common boards take the lead: In 1892 there were A selects, B selects, and C selects, and, better, C select and D select. The stock boards of the old list are represented in the inch finishing lumber of the new. In 1892 the headings were wide inch uppers, A select, B select, and C select. In the new list the best grade is D select and better, and there is a division according to the width, which did not exist in the old days.

Except as for a few isolated items, therefore, it is possible to compare only fencing, common boards, some items of flooring, and piece stuff. The table thus made up—not going into all the details of grades and dimensions—is as follows:

	1892.	1907.	1908.	Percent increase 1907 over 1892.*
Fencing:				
4-inch No. 1.....	\$12.00	\$30.00	\$28.00	150.00
4-inch No. 2.....	9.00	26.00	24.00	188.00
4-inch No. 3.....	7.00	19.00	16.00	171.00
6-inch No. 1.....	15.00	32.00	31.00	113.33
6-inch No. 2.....	12.00	29.00	27.00	141.66
6-inch No. 3.....	9.00	21.50	18.50	138.88
Common boards:				
8-inch No. 1.....	12.50	30.00	28.00	140.00
8-inch No. 2.....	11.00	28.00	26.00	154.54
8-inch No. 3.....	10.00	25.00	22.50	150.00
10-inch No. 1.....	12.50	31.50	31.50	160.00
10-inch No. 2.....	11.00	28.00	27.00	154.54
10-inch No. 3.....	10.00	25.00	23.50	150.00
12-inch No. 1.....	14.00	37.00	37.00	164.28
12-inch No. 2.....	12.50	31.00	31.00	148.00
12-inch No. 3.....	9.50	26.00	22.50	173.68
Flooring:				
No. 1 Fcy.....	16.50	33.00	32.00	100.00
C Fcy.....	25.00	47.00	47.00	88.00
Piece stuff:				
12, 14, and 16—				
2x4.....	11.50	23.00	20.50	100.00
2x6.....	10.00	27.50	25.00	175.00
2x8.....	11.00	27.50	25.00	150.00
2x10.....	10.50	29.00	26.50	176.19
2x12.....	11.50	30.50	28.00	165.21
3x12.....	11.50	31.50	29.00	173.91
White pine lath.....	2.00	5.00	4.00	150.00

* Percentage column added to Lumberman's table.

April, 1892, did not represent the top of the boom which ended with the panic of 1893. Prices continued to advance so that the figures given above can be increased from \$1 to \$3 a thousand. The advance continued on most items until well in 1893, though warnings of that financial calamity were given some months before. October 1, 1907, however, witnessed the top of the lumber market prior to the panic of last year. July 1, 1908, prices had somewhat recovered from the decline which reached its bottom in April. Still, the difference between October 1 last and July 1, 1908, is a considerable one. Inasmuch, however, as prices of the last year are likely to prevail again within a year or two the list of 1907 should be contrasted with that of 1892.

Almost invariably a price list is at least slightly above the average selling prices, and it is safe to assume that such is the case in the lists here quoted, but the comparison is nevertheless a fair one.

In 6-inch No. 1 fencing the advance was 113.3 per cent; in 6-inch No. 2 it was 141.7 per cent; in 10-inch No. 1 common boards, 144 per cent; in 10-inch No. 2 common boards, 154.5 per cent; in 10-inch No. 3 common boards, 150 per cent. No. 1 fence flooring during the fifteen years increased in value 100 per cent, and C flooring 88 per cent.

Price of 2 x 4 piece stuff increased 100 per cent; of 2 by 6's, 175 per cent; of 8 x 8's, almost 160 per cent; of 2 x 10's, 166 $\frac{2}{3}$ per cent; of 2 x 12's, 162.5 per cent.

In 1892 the price of 1 $\frac{1}{4}$ -inch C selects was \$26; in 1907, \$49; 2-inch C selects in 1892 were \$27, and in 1907, \$51.

It is evident from the lower ratio of increase on good lumber that in 1892 that grade of stock had to some extent received the benefit of the advance which later was to benefit the common grades also.

Undoubtedly it is this sort of an advance which has aroused the ire of many people and led to talk of a lumber trust. An average advance of 100 per cent in fifteen years in a commodity based on a natural resource seems enormous; it is merely the expression of inflexible economic influence. As any commodity in common use and needed by the community becomes scarce, the pressure of competition is felt and prices advance. But the advance itself has to be divided among various factors, all influenced by this same pressure of competition.

White pine lumber is scarcer simply because timber is scarcer, and that scarcity has led to competition among the mills for its purchase and use, so that the advance in timber has been in greater ratio than that in lumber.

In addition, prices of all materials and supplies have advanced. From the timbers and brick that go into the construction of a mill building to the machinery and belting and every last appliance and tool, prices are much higher than they were fifteen years ago.

Wages have shown a similar advance in every department of the lumber business—from the woods to loading the lumber onto cars. One exception may be noted, the wages of band-saw filers. In 1892 the band saw, while in general use, was still a new tool, and those who knew how to put it and keep it in condition for work commanded fancy wages, which later, as a larger number of men became expert, declined. Everyone, however, from the common laborer to the skilled craftsman, demanded and received higher prices, so that in 1907 in many lines of work wages were double what they were fifteen years before, and in all, with the one exception noted, there had been a substantial increase.

In spite of all the explanations that can be made, the bald comparison is a startling case. It indicates how far the cutting away of our white pine resources has progressed, and is significant of the future that confronts every other of our great commercial woods. Yellow pine has already begun to feel the influences of restricted timber supply, and within a few years more the west coast woods—even fir, now so abundant—will testify in their prices for stumpage to the fact that they will be the last great resource of our timber uses.

Wages in the lumber industry increased about 25 per cent from 1892 to 1907 (pp. 100-101, Bulletin No. 77, Bureau of Labor), but in 1908 our own inquiry shows that they were reduced from 10 to 20 per cent. However, none of the other great commodities have increased in relative price as much in recent years as lumber. (See pp. 200-301, Bulletin No. 75, Bureau of Labor.) So neither increased cost of labor nor commodities can account for an increase of more than 100 per cent in the wholesale cost of lumber. The increase therefore must be ascribed chiefly to profits and increased cost of stumpage—timber. Increases in these items simply reflect the increasing scarcity of timber supplies; in other words, the exhaustion of our forests. Is it then fair to our people to make them contribute a tax of \$2 to \$3.50 per thousand of the lumber they must use to put a premium on the destruction of our forests, for the replacing of which they will inevitably be taxed again?

NATIONAL FOREST CONSERVATION LEAGUE.
By T. M. KNAPPEN.

**STATEMENT OF HENRY KEPPEL, CORRY, PA., RELATIVE TO
LUMBER, SUBMITTED BY HON. ARTHUR L. BATES, M. C.**

JANUARY 6, 1909.

HON. SERENO E. PAYNE,
*Chairman Committee on Ways and Means,
House of Representatives.*

DEAR MR. CHAIRMAN: Inclosed find statement of Mr. Henry Keppel, president National Bank of Corry, which I think is a very practical statement on the subject of tariff on lumber.

Very truly, yours,

ARTHUR L. BATES.

CORRY, PA., *January 2, 1909.*

HON. ARTHUR L. BATES, M. C.

MY DEAR SIR: Having had thirty-five years' experience in the lumbering business, I feel qualified to advise you in relation to the necessities of the American lumbermen as affected by the proposed revision of the tariff. Owing to the immense quantities of timber growing in Canada and the lower wages paid the lumbermen, the American manufacturer is at a disadvantage unless protected by a duty on the imported article. More especially is this true in relation to the lower grades of lumber, which the American manufacturer can dispose of with difficulty even under the protection of a duty, and which would result in a distinct loss under free trade, owing to the very large percentage of low-grade lumber manufactured in Canada.

If any concession must be made it should be made only on the higher grades (those rated as firsts and seconds). The relatively small percentage of the higher grades manufactured operates to maintain prices on these grades at a fair figure, but the influx of large quantities of low-grade lumber from Canada would be a very serious blow to the American industry.

If I have not made the situation clear, I hope you will communicate with me further on the subject, as I know it will command your influence if fully understood.

I have the honor to be,

Very truly, yours,

HENRY KEPPEL,
President National Bank of Corry.

THE GEORGIA-FLORIDA SAWMILL ASSOCIATION SUBMITS RESOLUTION OBJECTING TO CHANGE IN DUTY ON LUMBER.

[Telegram.]

TIFTON, GA., *January 7.*

HON. SERENO E. PAYNE,
*Chairman Ways and Means Committee,
Washington, D. C.*

The regular meeting of the Georgia-Florida Sawmill Association, held in Jacksonville, Fla., the 5th instant, adopted the following:

Whereas the press dispatches from Washington forecasting the action of the Ways and Means Committee on the various tariff schedules recite the fact that lumber is being named as one of the commodities to go on the free list;

And whereas such action would mean serious and widespread demoralization to all business interests, in that further depression of lumber prices would

permanently cripple many of the sawmill and other woodworking industries, and at the same time affect disastrously the wage-earning power of an army of day laborers: Therefore be it

Resolved, That the Georgia-Florida Sawmill Association, in convention assembled, representing 1,400 sawmills and woodworking industries, do most earnestly protest against any change in the present tariff on lumber.

Resolved further, That the president of this association be, and he is hereby, instructed to transmit a copy of this preamble and resolution to Hon. Sereno E. Payne, chairman of the Ways and Means Committee, at Washington, by wire.

H. H. TIFT, *President*.

E. C. PARRELL, *Secretary*.

THE BUSHNELL PUMP COMPANY, BUSHNELL, ILL., THINKS LUMBER NOT A PROPER SUBJECT FOR REVENUE TARIFF.

BUSHNELL, ILL., *January 7, 1909.*

HON. SERENO E. PAYNE,

*Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.*

DEAR SIR: You can put me down as being opposed to the tariff on lumber. With lumber prices more than 100 per cent higher than in the nineties and with our forests being rapidly depleted and in great need of replenishment, I can see no justification—not even for revenue purposes—of a tariff on forest products. To continue the present tariff of \$2 to \$3.50 a thousand is an injury to the buyer and makes ridiculous efforts for forest conservation.

Very sincerely, yours,

BUSHNELL PUMP COMPANY,
W. M. WEST, *Secretary*.

(Communications identical with the above were received from the following: J. Rufus Wallingford, Canton, Ill.; The Richards Manufacturing Company, Aurora, Ill.; The American Well Works, Aurora, Ill.; The Challenge Company, Batavia, Ill.)

J. E. DEFEBAUGH, EDITOR OF AMERICAN LUMBERMAN, SUBMITS BRIEF RELATIVE TO DUTIES ON LUMBER.

CHICAGO, ILL., *January 8, 1909.*

COMMITTEE ON WAYS AND MEANS,

Washington, D. C.

GENTLEMEN: As representing in some measure the opinion and experience of the lumber-manufacturing industry of the United States, I respectfully present for your consideration the following review of some of the leading issues involved in the determination of the proper place of lumber in tariff schedules:

A protective tariff has been at the basis of the financial policy of the United States for many years. Whatever political party has been in power, the idea of protection to American industries has guided the framing of tariff schedules. Historically representing that tariff theory is the Republican party, which in its last national convention reaffirmed that policy, but promised, in case of its success at the polls, a revision of the tariff along lines which should give protection to

American industries to at least the extent of the difference between American and foreign wages plus a fair profit to American producers.

Following the election, in which the policy of the Republican party was indorsed by a majority of the voters, your honorable committee began public hearings in preparation for a revision of the tariff schedules. Before you have appeared free traders, those favoring tariff for revenue only, and advocates of protective duties, the last having various ideas as to the degree of protection on different schedules, and some favoring the removal of the duty on some items.

THE LUMBER TRUST.

Particularly insistent have been advocates of a removal of the duty of \$2 a thousand on rough lumber. Some of these have apparently been influenced by the erroneous belief, assiduously fostered by misleading or lying statements given wide publicity, that there is such a thing as a "lumber trust," or combinations in the lumber trade which control selling prices. These may be dismissed without special argument and with a simple statement.

Notwithstanding the widely disseminated charges that a "lumber trust" exists, or that combinations control the lumber output and market, prolonged and minute investigations by state and national authorities have failed to show the existence of any such "trust" or combinations; and a brief consideration of the facts that the lumber industry is important in more than thirty States of the Union, that nearly 30,000 sawmills are engaged in the production of lumber, that the raw material of the industry, standing timber, is in the hands of hundreds of thousands of holders, and that no individual, or group of affiliated individuals or companies, hold to exceed 3 per cent of the standing timber in the United States in one instance, and no more than 1 per cent in any other, should settle this question conclusively in the minds of intelligent men, and convince them that there is not now and probably never will be a "trust" which will control the lumber industry of the United States.

The strongest advocates for a reduction or removal of the duty on rough lumber and those entitled to consideration are those who claim that the American industry does not need protection either for the capital invested or the labor engaged in it, and that the removal of the duty will be of benefit to American consumers of lumber and in the interest of forest conservation in the United States.

THE UNITED STATES MUST LOSE REVENUE.

Strangely enough, the strongest advocates for placing lumber upon the free list argue that such an action will not reduce the price of lumber in the United States, while at the same time they urge forest conservation as a reason for the removal of the duty. It would seem that the inconsistency of such an attitude should defeat it. If prices would not be reduced by a removal of the duty, consumers could not be benefited, the cutting of our standing timber could not be checked, and therefore conservation would not be aided, while the Government would lose the revenue heretofore derived from that duty.

FREE-LUMBER ADVOCATES INTERESTED PARTIES.

The position of the leading advocates of free lumber may be briefly outlined. Except those who merely, from theoretical or sentimental considerations, desire a removal of the duty, its advocates are all interested parties. They are interested either as owners of Canadian stumpage and manufacturers of lumber in Canada or as professional dealers in the United States on Canadian forest products. To say that the leading advocates of protection for lumber are also interested parties is to acknowledge the strength of the latter's position, for they are interested in behalf of American labor and capital and resources, which the laws of the country should protect and foster, as against those who are interested in foreign capital and labor resources.

Some advocates of the removal of the duty, in communications to your honorable body, have alleged that if the duty were removed the Canadians would immediately add that amount to the mill value of their products and that therefore the American industry would not be injured. If that were to be the result, no American industry would be benefited, while the American Government would lose revenue.

The only valid argument in behalf of the removal of the duty, aside from the question of forest conservation, rests upon the assumption that the removal of the duty would lower the value of lumber in the United States, and such is believed by advocates of the duty to be the logical outcome, and it is against such lowering of values that they protest. They protest in behalf of American labor, of the security of capital invested in the lumber industry, and of forest conservation.

They believe that the removal of duty would influence prices in the United States chiefly through the low-grade product, which normally is in surplus or difficult to dispose of at remunerative prices in both the United States and in Canada. They believe that the effect of free trade in this important item of commerce between the two countries would tend to lower the rate of American wages, to depreciate the value of timber investments, and to increase waste of forest resources.

THE FOREST-CONSERVATION ARGUMENT.

Those who advocate the removal of the duty in behalf of forest conservation in this country do so on the assumption that importations will be largely increased, which could only be by the lowering of prices, and that the timber not cut will remain an asset for the future. Practical lumbermen say that such a measure would promote forest waste and accelerate the destruction of our forested areas.

Notwithstanding all the explanations that have been made by the lumbermen, it seems difficult for many well-informed men, whose mental processes are usually logical, to understand the grounds on which this argument is based, or its force.

They say that if by removing the duty any Canadian lumber is brought into the United States it will reduce by that quantity the cut of lumber in the United States, and thus save so much American timber. This would be true if the timber not cut were preserved for future growth, and if waste were not thereby increased.

For the benefit of those who do not understand the lumbermen's proposition is given the following round-figured, condensed statement of what is legitimately to be expected if protection be removed from lumber. It relates to the rate of lumber production and consumption in the United States and to sawed lumber only.

	Feet.
With protected lumber:	
Production -----	40, 000, 000, 000
Import -----	1, 000, 000, 000
Total -----	41, 000, 000, 000
With free lumber:	
Production -----	39, 000, 000, 000
Import -----	2, 000, 000, 000
Total -----	41, 000, 000, 000

Cutting at rate of 10,000 feet to acre, 40,000,000,000 feet is secured from 4,000,000 acres.

Cutting at rate of 9,000 feet to acre, 39,000,000,000 feet is secured from 4,333,000 acres.

Increase in rate of forest disappearance under free lumber 8.4 per cent.

This country now uses about 40,000,000,000 feet of sawed lumber annually of its own product and imports annually quantities varying from three-quarters of a billion to nearly a billion feet. The above statement assumes the present import to be a billion feet. Under free lumber it is assumed that Canada will be able to export to the United States more than double what she does now, or a total of 2,000,000,000 feet. To do so mills will have to be built and trade relations established, but it may be assumed that within a short time such an increase in her shipments into this country may be realized.

That increase, whatever it may be—and it is assumed for the present purpose to be only 1,000,000,000 feet—will be largely in low-grade stock which ordinarily is in surplus in Canada and also in the United States. The percentage of low-grade lumber in Canada can be greatly increased with the removal of the duty, because then an outlet for that portion of the mill product will be available, whereas now it is to a considerable extent held back by our tariff. With the tariff removed the Canadians will be encouraged to closer cutting in the woods, to a less free use of the refuse burner, and consequently to production of a larger percentage of low-grade lumber.

This low-grade Canadian product will therefore be added to the American low-grade product, which always exists as a surplus except in times of unusual business activity.

HIGHER PRICES AND MORE ECONOMIC USE.

Advancing prices for lumber have increased the output of low grades, because they have made possible a closer utilization of the trees as they stand in the forest, of the logs as they are delivered at the mill, and of the lumber as it comes from the saws.

To lower the price by increasing the supply of low-grade lumber will therefore cause to be left standing in the woods trees that do not promise profitable returns, to leave on the ground in the woods portions of trees which are not worth bringing to the mill, and to abandon or destroy as waste portions of the log product which do not promise to yield a sufficient return upon the market.

THE WASTE FROM LOW PRICES.

What this aggregate waste, expressed in thousands of feet will be, or may be, is largely a matter of conjecture. During 1908 under a general business depression it amounted to from 10 to 25 per cent of the quantity of sawed lumber that was secured from an acre of ground under more prosperous conditions. It seems safe to assume that under the conditions which will be brought about by free trade in lumber and a consequent large increase in the supply of low-grade material, this waste will be on the average 10 per cent. This is to say, as provided in the above condensed statement, an acre of land which formerly produced 10,000 feet of sawed material of various sorts will, under free-lumber conditions, produce but 9,000 feet.

If such an estimate be realized, and it seems to be well within the probabilities, instead of less cutting away of our forests there will be a more rapid cutting; for the demands of the country will not decrease, but will have to be met by cutting the better class of timber, which is cheaper to log and manufacture and whose product is more saleable.

According to the round-figure statement above, therefore, our rate of forest destruction, of forest disappearance, under free lumber would be increased 8.4 per cent.

WOODS CONDITIONS UNDER LOW PRICES.

It may be objected that what portion of this waste is left standing in the tree would not be wasted, but would furnish the beginning of a new forest. This would be true if the same conditions which made this abandonment of low-grade trees and logs and sawed material necessary would not forbid the expenditure of the money necessary to safeguard that which was left in the standing tree.

The enemies of the culled-over forest are chiefly three—wind, fire, and disease. Unsound trees or sound trees of certain species, if deprived of the protection of the trees growing around them, will almost inevitably be leveled by high winds. The small and growing trees—the young forest—are threatened by the débris left from logging operations. Trees exposed by removal of surrounding trees are liable to fresh attacks of fungus growth and insects, introducing tree diseases which cause their decay and death.

The only practical way to conserve and perpetuate the forests on land which should be devoted to tree growing instead of crop growing or grazing is to make timber and lumber values so high that it will be possible for timber owners to devote the necessary capital and annual expenditure to the establishment and maintenance of forestry methods; then, with values rendering such methods possible and with protection from unjust and ruinous taxation, the States may justly require the adoption of such methods of handling forest properties as will preserve and perpetuate them for the benefit of future generations, for the protection of watersheds, and the promotion of water power and navigation.

To lower the values of lumber and timber, and particularly of the low grades, is to do just the opposite of what lovers of the country desire. Its only effect, as stated above, must be to accelerate forest

destruction and render less possible forest preservation. To remove or lower the duty on sawed lumber will thus promote forest destruction instead of forest conservation.

FREE LUMBER ARGUMENT BASED ON EXCESS OF EXPORTS.

Much importance has been attributed by some who advocate the removal of the duty on lumber to the fact that exports from the United States of wood and its products exceed in value the imports of similar articles. For the fiscal year ended June 30, 1908, the total exports were \$81,521,305, while the imports were valued at only \$43,527,174.

These figures, however, mean nothing except that the United States produces certain forms of forest products which other countries do not produce at all, or not in sufficient quantities for their needs and the needs of the world, while our imports are largely of forest products which are found in the United States, and therefore are entitled to protection on the general theory of a protective tariff.

More pointed are the arguments made on the theory that Canadian timber resources are so depleted and ours so great that we are able to export forest products to that country, and therefore do not need protection.

The assertion has been made that our exports to Canada are greater than our imports from her. This is a mistake, and a gross one. Leaving out manufactures of wood, which are not lumber in any sense, the principal remaining items are logs, timber, sawed lumber, and shingles.

Last fiscal year our imports from Canada under the heading of sawed lumber amounted to 792,789,000 feet, valued at \$14,989,179. Our exports to British North America during the same period were 149,884,000 feet, valued at \$4,269,179.

Our imports of logs and round timber, almost entirely from Canada, amounted to 131,327,000 feet, valued at \$1,364,439, and our exports to that country of timber, hewn and sawed, were valued at \$4,337,766. Our imports of shingles, also almost entirely from Canada, were 988,081,000 pieces, valued at \$2,379,242, while our total exports of shingles, few of which went to Canada but mostly to Cuba and other southern countries, were only 20,483,000 pieces, valued at \$75,535.

Thus we have a total importation from Canada of timber, lumber, and shingles valued at \$18,632,860, while our exports to that country were valued at \$9,797,103.

Instead of exporting more lumber to Canada than we import from there, we send her only half as much as she sends us. Still it seems to be a question in the minds of many if this does not prove that we need no protection against Canadian timber.

CHARACTER OF FOREST PRODUCTS SOLD IN CANADA.

This is the general situation: First, what Canada sends us simply takes the place of part of our own product; what we send to Canada is material such as she does not have and for the most part never did have, and which does not enter into competition with her own woods.

The latter statement leads to the second point of what our exports to Canada consist. Unfortunately the government reports do not give this data and the information must come from practical knowledge of the matter.

Canada exports to the United States white pine and imports none. She exports to the United States spruce and hemlock and imports none. She exports to the United States shingles and imports none. She exports to the United States also fir and other western woods and imports none, and those varieties include all that she has of timber resources in important quantities.

To avoid being called to task for a misstatement in the above, it should be said that in the western prairie country conditions are somewhat mixed. Western Manitoba, Saskatchewan, and Alberta have been developing rapidly during the last few years, and frequently it has been necessary for settlers there to get lumber regardless of place or price. Consequently, while eastern Montana, the Dakotas, Nebraska, etc., have imported some lumber from Canada, the prairie Provinces have imported some from the United States, but that interchange has been comparatively unimportant. Lumber in its various forms that Canada buys in the United States is chiefly material that she does not have at home, or has at so great a distance from point of consumption that it is unavailable.

FREIGHT RATES DOMINATE TRADE.

Modern construction and the industries demand woods of strength and also large timbers. The wood of strength for construction purposes that is available to the eastern part of the continent is yellow pine, and this wood also produces timbers of large size. Canada has timber that would answer this purpose in British Columbia, but that is so remote from the centers of consumption that it is cheaper to buy yellow pine in the United States and ship it by vessel to Canadian ports, thence to be distributed by rail or lake vessel, than to pay transportation across the continent. So great is the difference in this carrying charge that at a higher mill price yellow pine can be brought up the St. Lawrence and as far west as the Great Lakes in competition with the lower-priced fir of British Columbia. It is only when especially large and long timbers are wanted that in Canada, as in the United States, fir is brought across the continent.

Canada's original resources in hard woods were comparatively small at the beginning, the best being found in southern Ontario, and now they have almost disappeared, there being only a scattering output from hard-wood trees from the wood lots or that grow mixed with the pines, spruce, and hemlock. Therefore, when a Canadian factory needs oak, maple, ash, or hickory it usually has to go to the United States for a supply.

Another large and growing item which enters into the Canadian importation of American lumber is hard-wood flooring. Since the raw material is not found in Canada and is in the United States, it is the great flooring mills of the latter country which supply the demands, not only at home, but in Canada as well. Even more important than hard-wood flooring is yellow-pine flooring for factory and residence use.

NO REAL COMPETITION IN CANADA.

What Canada imports from us, therefore—timbers of strength and size, hard woods and flooring—are not and can not be produced in the Dominion.

On the other hand, what Canada has to ship to us grows in the United States, either in the same form or in the shape of satisfactory substitutes.

The spruce of Nova Scotia, New Brunswick, and Quebec competes with the spruce of New England, New York, Pennsylvania, and West Virginia; the white pine and red pine of Ontario with the same species of Wisconsin and Minnesota; the fir, cedar, spruce, hemlock, tamarack, western pine, and western white pine of British Columbia with the same woods in Washington, Idaho, and Montana. Furthermore, the spruce of Quebec competes not merely with the spruce of Maine, but with the North Carolina pine of the Atlantic coast and with the sap pine, which from anywhere along the coast can reach the northeastern markets of this country.

As our white pine has entered into competition for construction purposes, for boxes, and a thousand other uses with yellow pine, so Ontario white pine can compete not only with products of Michigan, Wisconsin, and Minnesota, but with the woods which they meet in competition; and any lumber which is shipped from British Columbia mills to California will displace just so much product that should come from Washington or Oregon.

In exporting lumber to Canada we do not, except in the West, compete at all with her industry, while every foot of lumber shipped from Canada to the United States enters directly into our own domestic competition.

OUR EXPORT PRICES HIGH.

We export lumber and forest products because other countries must have the American goods, and not because we have a surplus to throw away. This is demonstrated by the fact that, on the average, prices for American lumber abroad are higher than at home. Foreign buyers of our "wood goods" have to pay a premium for them. On the other hand, what we get abroad is bought not from necessity but on a price inducement. Any arguments in favor of the removal or lowering of the duty, based on the volume of our lumber exports and imports, must fall to the ground when the facts regarding them are examined.

SPECULATIVE OWNERSHIP OF AMERICAN STUMPAGE.

In the course of an examination of H. H. Tift, of Georgia, one of the leading lumbermen of the Southeast, who appeared by invitation before your honorable body on December 19, much attention was given to a theory that the principal effect of the lumber duty is to increase the value of American stumpage, and, therefore, to promote speculation in timber; and that the timber of the United States, outside of government ownership, is largely held by speculators.

Merely mentioning here the fact that anything which legitimately tends to advance the values of American stumpage is in the interest of

forest conservation; the idea that timber is speculatively held to any important extent should be contradicted.

According to Webster, speculation is "the act or practice of buying land, goods, shares, etc., in expectation of selling at a higher price, or of selling with the expectation of repurchasing at a lower price; a trading on anticipated fluctuations in price, as distinguished from trading in which the profit expected is the difference between the retail and wholesale prices, or the difference of prices in different markets."

In so far as the idea of risk enters into the matter, there has never been any important amount of speculation in timber. Frequently timber will be bought outright or on option, with the prospect of an early sale at a higher price, but such transactions are not usually speculative, but in furtherance of definite plans for manufacture. Those who have bought large quantities of timber, not with the idea of manufacture but to sell again, have regarded their purchases as investments in the true sense of the term, inasmuch as they considered no risk was involved, but that the capital thus invested would earn through the increasing value of the property as the years went on an assured profit.

Whether such buying of timber be considered investment or speculation, it is not a prominent factor in timber ownership. There have been in the yellow-pine district—the most important lumber district of the country up to this time—but few such holdings, perhaps a dozen in all of large size. In white pine in former days there was but one important timber property of this description; on the Pacific coast there are to-day but few such holdings, probably not more than a half dozen of any importance.

There are multitudes of small holdings of this nature in all sections of the country. Hundreds, perhaps thousands, of people of assured incomes have thought that they could, with more safety and with a better prospect for profit than is found in most lines of investment of equal safety, put a portion of their surplus into timber, and therefore these hundreds or thousands of people have bought 40 or 160 acres or a section of timber land, which they are holding against the time when it will be needed by some neighboring manufacturer.

TIMBER PROPERTIES ARE HELD FOR OPERATION.

But with the numerous small exceptions mentioned, and a very few important ones, practically all the timber is held, not in a speculative way, not to sell, but as an investment. It is a provision for the future needs of a manufacturing operation. The idea that such holdings are speculative seems to rise from lack of knowledge of the needs of a lumber manufacturing business, perhaps because in earlier days a man could buy a sawmill anywhere in a timbered country and depend upon current purchases of timber or logs to supply his mill. At this time, however, with a better public appreciation of the value of timber, with a general knowledge that the market for it is widening and advancing, no important manufacturing operation can depend upon current purchases. Therefore provision must be made for the future before the operation is started.

It is customary in the lumber business to consider ten years as the normal life of a sawmill. During that period it is supposed that the

value of the average mill will be wiped out by depreciation, though, of course, the facts in any particular instance depend upon the conditions surrounding it.

Since the life of a lumber manufacturing business should cover at least ten years of assured operation, a mill that will cut 30,000,000 feet a year must have back of it at the start at least 300,000,000 feet of timber; and since mills are now better constructed than formerly, and since the more progressive and intelligent operators are coming to look upon such investments as permanent ones, even a greater supply than for ten years is desirable in every way. Therefore, when a large lumber manufacturing institution owns 1,000,000,000 feet of timber, whereas it may cut only 50,000,000 feet a year, that holding can not be considered speculative, but is an investment conforming fully to the definition of the word.

Webster says that to invest is "to lay out money or capital in business with the view of obtaining an income or profit." The Century Dictionary says that to invest is "to employ for some profitable use; convert into some other form of wealth, usually of a more or less permanent nature; an expenditure for profit or future benefit; a placing or conversion of capital in a way intended to secure income or profit from its employment."

The greatest segregated holdings of timber in the United States are all investments for the purpose of securing a profit, not through sale, but through conversion into lumber and other forest products by the ordinary processes of lumber manufacture.

CHARACTER OF GREAT TIMBER PROPERTIES.

Frequent reference was made in the hearings before the Ways and Means Committee to the timber holdings of the Weyerhaeusers, of C. A. Smith, of T. B. Walker, of the Long-Bell Lumber Company, of the Kirby Lumber Company, and of others. All these are great timber properties, but every one of them is being held not for sale as timber, but as the basis for future operations. Frederick Weyerhaeuser and his associates have never bought in a speculative way, though sometimes they might sell. They have bought for operation, and being wise have purchased as far ahead of their immediate needs, so as to secure the future of their industries, as their means would permit. They have always operated upon their properties and still do so, though portions of their holdings may stand as a reserve for the future. The same is true of C. A. Smith in regard to his heavy timber holdings in Oregon and elsewhere. The same is true of T. B. Walker and his holdings in California. His timber property is the only great one in the country which is not the basis of present operations, but it was bought for operation, and when the time comes this timber, or the adult portion, will be manufactured, while the property as a whole will be conserved by forestry methods as a perpetuation of lumber production. The Long-Bell and Kirby properties are being actively operated. The same is true of the large holdings of the Great Southern Lumber Company and many others.

In short, practically none of the large holdings of the timber in the United States are open to attack on the ground that they are held in a speculative way. They are investments in the truest sense of the word and designed to perpetuate an industry of importance

to the country. If they are open to attack as such, every holder of real estate, every owner of town or city property who has seen its value increase, every farmer who entered a homestead and now realizes a value of \$100 an acre, every mine owner, every investor in oil lands, is equally open to attack.

If investments in timber properties are to be challenged because they have increased in value with the passage of time, an attack is made upon the very foundation of property rights in the United States.

If we have to come to the time when the increment value of real estate is to be forfeited to the public and socialism is to rule, such an attack on timber properties is justified, but not otherwise. To demand a removal of the duty because timber lands have increased in value is to embrace socialism.

THE SHINGLE DUTY.

Few, if any, objections are found to the request that the duty upon shingles be retained. The chief shingle timber is cedar, of two species—the white cedar of the East and the red cedar of the Pacific Northwest, the latter furnishing by far the larger part of our domestic supply. Shingles are made from other timber, but in comparatively small quantities.

In the East for many years the white cedar shingles of New Brunswick have entered eastern markets of the United States in large quantities in spite of the duty, and during the last three years red cedar shingles manufactured in British Columbia have been entering our markets in increasing quantities. The largest shingle importations on record were during the fiscal year ended June 30, 1908, and amounted to 988,000,000 pieces. These shingles all paid the duty of 30 cents a thousand, and the manufacturers were glad to export on those terms.

Their ability to do so rests on the fact that the Canadian shingle industry, both east and west, is based upon abundant and cheap supplies of green timber; whereas across the line in the United States the material is largely down timber and the refuse from earlier logging operations; on the further fact that in the East Canadian labor employed in shingle manufacture receives lower wages than American labor in the same occupation, and on the Pacific coast because Asiatics are used to the extent of 75 per cent of the total number of employees, while their "slow carefulness" enables them to produce at a low cost to their employers an article which in quality will compete with the best shingles of American production.

The duty on shingles is particularly important to the manufacturers of Washington, Oregon, Idaho, and Montana. In Washington about 15,000 men are employed in the shingle mills, and if the duty were removed practically all of these mills, except the comparatively few operated in connection with sawmills, would be obliged to go out of business and their employees to seek other lines of work or remove to British Columbia, thus being lost to the United States.

The retention of the duty on shingles is particularly important to labor, but hardly less so is the retention of the duty on lumber of importance to the men engaged as wage-earners in the sawmills and logging districts of the United States.

LABOR PHASE OF THE LUMBER TARIFF.

The argument is made by some that the removal of the lumber duty will not at all affect prices in the United States. If that be true the only immediate gain would be to the foreign lumber manufacturers and the only immediate loser the United States Government, to the extent of the duty which it would cease to collect, but with a probability of further development of the lumber industry in Canada and Mexico more rapid than in the United States, and an increase in opportunities for labor in those countries rather than in this. But if, as lumbermen believe, it would lower prices by the introduction of a larger quantity of Canadian lumber, which would enter into competition with the domestic output, one of two things must happen to labor—it must remove from the United States to Canada or Mexico, where its wages will be expended instead of in the United States, or it must accept lower wages.

The facts as to wages, as developed by testimony before your honorable committee and elsewhere, are, in brief, these:

In the maritime provinces of Canada and in Quebec wages are decidedly lower than in the United States and the scale of living is lower on the average than in adjoining sections in this country.

In Ontario, particularly in western Ontario, the difference is not so great, though Canadian wages average lower than American, with a few instances of higher wages than the American average being paid, because it was necessary to offer inducements to American laborers to cross the line.

In British Columbia the rate of wages in the woods is about the same as in Washington. In the sawmills wages in some cases as high or a little higher than the American scale are paid, except that much of the common labor is oriental, receiving a wage only 50 to 80 per cent of that paid south of the line. On the average the scale of British Columbia wages is a little lower than that paid in the corresponding districts in the United States.

In Mexico common labor is very much lower than in this country, but the development of the lumber business in the forests of Chihuahua and Sonora, which would follow the removal of the duty, would require skilled labor from the United States that would have to be paid American wages.

Unless our shipping laws be modified with the removal of the duty foreign lumber producers would have another advantage in the lower wages paid on foreign ships. This advantage now exists, but it is offset, where it is felt, by the duty.

Granted that the free admission of foreign-sawed lumber to the American markets would lower prices because of increased import, the sawmill and woods labor of the United States would have to face a reduction in wages, or would have to seek some other employment, or remove to Canada or Mexico to follow the development of the lumber business outside of the United States, which would be encouraged by the act of our Government.

J. E. DEFEBKAUGH,
Editor American Lumberman.

HON. D. F. LAFEAN, M. C., SUBMITS LETTER FROM RED LION LUMBER COMPANY, BURGAW, N. C., RELATIVE TO CANADIAN LUMBER COMPETITION.

BURGAW, N. C., *January 7, 1909.*

HON. D. F. LAFEAN, M. C.,

Washington, D. C.

DEAR SIR: By the unanimous consent of our stockholders I am requested to write you relative to tariff question on Canadian lumber. I presume you are thoroughly acquainted by this time on the proposed reduction on same. There was a meeting at Washington not long ago when the representatives of all the lumber and timber interests had a hearing before the Ways and Means Committee. The question was thoroughly discussed, and the unanimous plea of the lumber and timber interests want the tariff to remain as it is. If the tariff should be taken off, it will cripple the whole lumber industry of the Southern States. We are only small investors in southern timber, comparatively speaking, but the \$2 per thousand reduction on Canadian lumber will mean, at least, a loss to our company alone of \$30,000, and we would be compelled to cut over our timber leases and only cut about 50 per cent of the best logs and leave the rest lay in the woods and rot in order to save part of our investment; and besides, we will have to cut the wages down of our laborers at par with the oriental laborers of Canada.

On a competitive basis Canada has already the best of American manufacturers of lumber. Their stumpage does not cost them half what we must pay, and they can reach New York by vessel—rate about half what we must pay from North Carolina. They have cheaper labor. There is quite a sentiment on forest preservation among some of our government officials, and they seem in favor of reduction of \$2 per thousand tariff on Canadian lumber. Flooding our country at this time with cheap Canadian labor will not preserve our forests. It will only hasten the depletion instead. Inclosed find few clippings from the American Lumberman. Read what Doctor Shenk, the great German authority on forestry, thinks about it. The cry of a timber famine in thirty years is a misconception by some who do not understand the timber question. There is enough timber in our Southern States to flood this country for fifty years to come, and there is enough now manufactured to do us for two years without cutting any more. The market is full of all grades. By looking over the large wholesale yards in our lumber centers there are mountains of stacked lumber weather-beaten waiting for buyers and consumers. The prices on lumber have fallen since 1907 so that the sawmill men are at a loss whether to run their mills and try and make costs or run chances of better conditions; and this tariff question is a serious thing at this critical time for the timber and lumber men of the South. We hope you will do your utmost to leave the tariff on Canadian lumber as it now stands. While the protection is not enough for our American interests, yet we would be satisfied to let well enough alone at this time. Any questions you may want to ask on this matter, or explanations, I will be glad to explain, and would like to have a talk with you on this tariff question when you are in York, at your office.

Yours, respectfully,

WM. F. BAUGHMAN,
President and Manager Red Lion Lumber Company.

LOW-GRADE LUMBER.

EDGAR H. BUCKLIN, OF ITHACA, N. Y., WISHES THE DUTY
REMOVED FROM LOW-GRADE LUMBER.

ITHACA, N. Y., *December 1, 1908.*

HON. SERENO E. PAYNE,

Chairman Committee on Ways and Means,

Washington, D. C.

DEAR SIR: From the testimony before your committee against the reduction or removal of the duty on lumber, I note that it is claimed that higher prices tend to the conservation of the forest, for the reason that a market is provided for the low-grade lumber in the tree tops that otherwise would be left in the woods. Experience and observation show that when there is a demand for lumber of that grade at good profit there is also a demand for lumber from small trees, and the trees that should be left standing for future supply are all cut into lumber, even trees of 5 inches in diameter on the stump, and the forest land is denuded.

One of the reasons of the large supply in the market of low-grade lumber is that on account of the high prices that have prevailed a large proportion of lumber has been cut that should have been left standing for future growth.

The small mills which are portable are particularly destructive to this young growth, because it is easier for them to handle, and the large operators can log cheaper if they log both small and large timber—everything marketable—at the same time and first operation.

When only the larger timber was taken, several cuttings were made at different times from the same land, and the tops and stumps were finally used up, as has been done generally in the State of Michigan.

The tariff on low-grade lumber tends to increase the destruction and cutting of small trees and the consequent destruction of the future forest.

Canada more wisely admits all these grades free of duty upon which our tariff is \$2 per thousand feet in the rough and \$3 per thousand if planed, like common house studding, joists, rafters, and general dimensions. The result is that the public are forced to use at high prices a poor grade of lumber that will soon decay and the future supply is exhausted in the destruction of the young trees.

I have seen the Diamond Match Company in their mill at Keene, N. H., cutting into crate stock pine 3 inches in diameter in the log. Hemlock in New York State is being cut that will make one piece 4 inches square and 10 feet in length.

The cutting of small trees by mills is general throughout the eastern portion of our country, and in a lesser degree is taking place in the West. Immediate additional profits is all that concerns a vast majority of the lumbermen. Statistics show that in the year 1907 in the production of white pine the little State of New Hampshire was third, with a production of nearly 400,000,000 feet, and as stated by the "American Lumberman" of November 21, 1908: "Evidently, however, this lumber was cut from low-grade timber as the mill value given was only \$17.46 per thousand feet," which means that a very large proportion of it was sapling or second-growth pine from small trees, and the whole cut was made by 442 mills, only averaging about

900,000 feet to the mill for the whole year's cut—which is only an illustration of general conditions. This shows conclusively how our young timber is being slaughtered.

There should not exist an artificial stimulus in the shape of a protective tariff to hasten its destruction and all that it implies. Will you please file this with your committee.

Very respectfully, yours,

EDGAR H. BUCKLIN.

LUMBER AND COAL.

H. L. STOWELL, ELLENSBURG, WASH., WANTS CHEAPER LUMBER PRODUCTS AND FREE CANADIAN COAL.

ELLENSBURG, WASH., *November 25, 1908.*

CHAIRMAN WAYS AND MEANS COMMITTEE,

Washington, D. C.

DEAR SIR: As a lifelong Republican, and always in favor of a tariff to protect American industries and labor, have voted for every Republican President since Abraham Lincoln until now, and want to say a word on the present situation as concerns lumber and coal. I am forced to the conclusion that we should have the duty removed on both these articles, so far as Canada is concerned, and admit Canadian coal and lumber free. We are living here in the region of the greatest lumber country on earth, and still the price of lumber is kept at a high figure by a combination of lumber forces. The greatest mills in the world are cutting millions of feet annually, and still, to keep up the price, they will close down all the mills, and thus keep building material very expensive.

Now, some of the best and largest coal mines in the State of Washington are within 25 miles of this city. They sell this coal at \$2 to \$2.25 per ton at the mines, but they run it down here, 25 miles, all down grade—would come by gravity—and we have to pay \$6.50 a ton for mine run, half dust. These companies have paid of late enormous dividends. They used to sell a better grade of coal here at \$4.25 a ton. Now, I am in favor of letting Canadian coal in, duty free.

It's folly to say these people can't compete; they are simply soaking their own countrymen in order to pay big dividends. Give us a "square deal."

Very respectfully,

H. L. STOWELL.

LUMBER AND GLASS.

THE MACY COMPANY, GRAND RAPIDS, MICH., FURNITURE MANUFACTURERS, ASK TO HAVE THE DUTIES REMOVED FROM GLASS AND LUMBER.

GRAND RAPIDS, MICH., *December 8, 1908.*

CHAIRMAN WAYS AND MEANS COMMITTEE,

House of Representatives, Washington, D. C.

GENTLEMEN: This corporation is engaged in the manufacture of furniture. Its annual sales average more than three-quarters of a

million dollars. Its annual consumption of materials approximate the following:

Lumber, 3,000,000 board feet; veneers and panels, 2,000,000 superficial feet; value of both items, \$150,000.

Window glass, 600,000 square feet; value, \$25,000.

Hardware for furniture trimmings, etc., \$50,000.

Glue and finishing materials, \$25,000.

We are offered glass in French and other foreign markets at about one-half the domestic prices, and of better quality, but the hazards of transit, the duty, and other restrictions operate to place us at the mercy of domestic producers who have never failed to exact tribute to the limits made possible by the artificial and other restrictions imposed on imports, and when we consider the duties on glass amounting to about 100 per cent, on lumber \$2 per thousand feet, and similar duties on other materials, it is quite evident that we are paying \$30,000 and upward in duties for which we can see no benefit, and which stands in our way when we attempt to market our products abroad.

The average wage per person in our plant for two years last past, including all wage-workers, exclusive of officers and clerks, was \$1.80 per day. In England, Holland, France, and Germany the wage rates for similar and like services equal about 70 per cent of ours, but the cost of packing, transport, selling, and other circumstances makes foreign competition with our furniture in our markets impossible.

The furniture industry needs no protection if given free lumber and free glass, and exports would be largely increased through reductions in cost which would result from free material.

We earnestly appeal to the members of your committee and to Congress to place glass and lumber on the free list. We are fully convinced that by so doing it will in the end prove a blessing to the glass industry, which has long been a monopoly, and therefore is not developing on the lines of true economy and permanency.

Yours, truly,

THE MACY COMPANY,
O. M. WERNICKE, *President*.

LUMBER, GLASS, AND IRON.

HON. J. ADAM BEDE, M. C., FILES LETTER OF THE SCOTT-GRAFF
LUMBER COMPANY, DULUTH, MINN., RELATIVE TO DUTIES ON
LUMBER, GLASS, AND IRON.

WASHINGTON, *December 31, 1908.*

WAYS AND MEANS COMMITTEE,

House of Representatives, Washington, D. C.

GENTLEMEN: Inclosed herewith please find statement on the revision of the tariff, which I have just received from a large lumber firm in my district, asking me to file the same with your committee.

Thanking you for any consideration you may give the letter, I am,
Very truly,

J. ADAM BEDE.

DULUTH, MINN., *December 23, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We beg to present our conclusions in regard to tariff revision, which is under consideration by your committee.

We do not ask any duty, nor never did, on lumber, and hope that it may be removed. We believe that our industry can stand on its own feet without political or governmental assistance. If it can't, we are willing to take the consequences. We also hope that your committee will make reasonable and large deductions on the duties on glass and iron products. We of the Northwest have been paying a heavy tribute to the manufacturers of the Middle East for these many years and we protest against its continuance.

Now, in regard to the best method by which this reduction can be made, would suggest that it be done on a sliding scale, so that those interested can put their business in order so that they may be able to meet the prices that such a change may involve.

We hope that Congress will call the bluff made by the Steel Corporation by its chairman, Mr. Gary, before your committee.

Yours, very truly,

SCOTT-GRAFF LUMBER Co.,
Z. D. SCOTT, *Vice-President.*

LUMBER AND LAMPBLACK.

GODFREY M. CABOT, BOSTON, URGES REMOVAL OF DUTY FROM
LUMBER AND CONSENTS TO FREE LAMPBLACK.

BOSTON, *November 21, 1908.*

COMMITTEE ON WAYS AND MEANS,
House of Representatives, Washington, D. C.

GENTLEMEN: Years ago I was able to buy my cooperage to advantage in Canada, but since the enactment of the increased duty on lumber I have been unable to do so.

I respectfully submit that this is an injustice to me and without any corresponding benefit to the people of the United States as a whole. It is not the best interest of this country to stimulate the mad race to deplete our lumber resources. I own two factories on the bank of the Little Kanawha River and we are troubled, in common with all dwellers and interests along this river, by the big floods which have a tendency to be more and more serious from decade to decade. On the other hand, low water in summer has a tendency to reach greater extremes in each recurring decade.

Last summer I walked across the Little Kanawha River near the town of Big Bend, Calhoun County, W. Va., dry-shod.

It is the well-nigh universal opinion of geologists and other experts who have made a study of it that the seesaw between extreme flood and extremely low water in our streams and rivers is greatly aggravated by the depletion of our forests, and it is not sound public policy by artificial restraints of trade to aggravate this tendency.

My attitude on this question is logical and consistent, for I do not ask or desire any protection on my own manufactured article and shall not turn a hand or utter a syllable against the removal of the

duty on lampblack by which I am protected, if this comes to the consideration of Congress. All I ask is a fair field and no favor. Let me buy my products on the same basis of price that American goods are sold to Europe when I buy of American manufacturers, and let me buy on the same basis of price, plus freight, as Canadians or other foreigners pay for such articles as I might wish to import, and I am ready to stand or fall by my ability to produce better goods and cheaper goods than my customers can elsewhere obtain without any artificial restraints of trade.

I do not know what the feelings of the other makers of carbon black are on this matter, but I am by far the largest maker and I do know that their interests coincide with mine.

Yours, very respectfully,

GODFREY M. CABOT.

WHITE PINE.

GRAVES, BIGWOOD & CO., BUFFALO, N. Y., REQUEST THAT WHITE PINE LUMBER BE PLACED ON FREE LIST.

BUFFALO, N. Y., *December 3, 1908.*

The WAYS AND MEANS COMMITTEE,

House of Representatives, Washington, D. C.

GENTLEMEN: We respectfully request you to place white pine lumber on the free list. We submit the following reasons:

The supply of white pine lumber in the United States, for wholesale distribution in the Central and Eastern States, is practically exhausted. The distributing markets of Bay City, Saginaw, and Detroit, Mich.; Cleveland, Toledo, and Sandusky, Ohio; Buffalo, Tonawanda, and Albany, N. Y., depend for their existence upon moving lumber from mill points by lake transportation.

The ability to assemble lumber at a low cost for transportation has created these markets. The source of supply originally was the great Saginaw district, including the extensive product of the Saginaw River and all Lake Huron points. As this lumber was cut off the Lake Michigan and Lake Superior mills met the demand. The Lake Michigan territory is substantially exhausted, and for the last few years the white pine supply has come largely from the head of the lakes, in the Duluth district. This section is now nearly cut over, and what timber remains is largely controlled by the Weyerhaeuser companies and one other large interest, and a considerable portion of their product is shipped direct by rail to the consumer.

We inclose a clipping from the Buffalo Commercial of November 27 showing the tendency to consolidate these interests. You will find this combine confirmed in the Wall Street Journal of November 30, and it will be easily apparent that there will be small opportunity for eastern wholesalers to purchase lumber to advantage from this single company.

In the Georgian Bay district of Canada, across Lake Huron, there is a considerable stand of timber, sufficient to form a source of supply for the eastern markets for a good many years to come. There is no chance for a lumber combine in Canada. The holdings of timber are in many different hands, representing a great variety of primary

interests. Lumber can be shipped from this section for an average freight of \$1.75 per thousand to all eastern lake distributing points. So long as the eastern markets have such a source of supply they will be able to continue business. Without this supply of all these large markets will soon cease as distributing points. This can be easily confirmed.

The same arguments would apply to the lumber produced in the Ottawa Valley as related to New York City and New England points.

The cost of producing 1,000 feet of lumber, including the cost of putting the logs into the water, driving the logs by water to the manufacturing point, and the manufacture of the lumber, is equal to or in excess of the cost of production at any point in the United States where white pine lumber is now manufactured. Where the logs can be delivered to the mills by water the natural obstacles make the cost excessive.

As a fair measure of reciprocity, Canadian lumber should be admitted to the United States free of duty. While Canada is a highly protective country, lumber is admitted from the United States free of duty. There has been strong pressure brought to bear upon the Ottawa government to impose a \$2 duty to meet the tariff regulations of the United States. This has always been resisted in order to give the Northwestern farmers access to the American markets, and there is no prospect of a duty ever being imposed on rough lumber from the United States into Canada.

Another most imperative reason for admitting lumber from Canada into the United States free of duty is to conserve the timber supply of the United States. With rapidly diminishing forest resources, there are good economic reasons for attracting all of the Canadian product to the United States, which would result with free lumber, only excepting what is required for Canadian consumption.

There is no particular part of the Canadian product that would come here to compete with American woods. The American markets demand the entire product of the log. The situation in the lumber business to-day is so clearly defined that what is remaining of hemlock in Pennsylvania and white pine in the Western States has outlet in exclusive channels. There is no competition between white pine and hemlock, and practically no competition between white pine and southern woods. During the depression in the lumber industry, which has been current this year, lumber from the South has been shipped all over the North and into Canada, and white pine has been sold where required for exclusive purposes.

We are large manufacturers of lumber in Ontario, with an old-established business in this city. Our original source of supply was the Saginaw River district, and we then followed the producing points of white pine lumber all over the Lakes, and have finally been forced into Canada.

While we advocate the abolition of all duty on rough white pine lumber, we think the present prohibitive rates on lumber dressed or matched before being brought into this country should be continued. This is a subject entirely divorced from that of raw material and affects a good many workmen on this side.

Hoping to receive your favorable consideration, believe us,

Respectfully,

GRAVES, BIRWOOD & Co

**HON. D. S. ALEXANDER, M. C., FILES LETTER OF FENTON & SONS
BOX AND LUMBER COMPANY, NORTH TONAWANDA, N. Y.,
RELATIVE TO WHITE PINE.**

WASHINGTON, D. C., *December 10, 1908.*

HON. S. E. PAYNE, M. C.,

Chairman Committee on Ways and Means.

MY DEAR MR. PAYNE: Inclosed please find letter from Mr. A. G. Sherman, secretary Fenton & Sons Box and Lumber Company, North Tonawanda, N. Y., who favors placing white-pine lumber on the free list. Kindly file their letter where it will have attention at the proper time.

Very truly, yours,

D. S. ALEXANDER.

NORTH TONAWANDA, N. Y., *December 8, 1908.*

HON. D. S. ALEXANDER, M. C.

Washington D. C.

DEAR SIR: Referring to the matter of tariff revision, which is now being considered by the Ways and Means Committee of the House of Representatives, we have decided to communicate with you, and through your kind offices to the Ways and Means Committee, our firm conviction that the time has arrived when all duty should be removed from rough white-pine lumber imported from Canada to this country. The conditions of the white-pine lumber trade in this country has assumed a form during the past few years so that it is now almost impossible for manufacturers to obtain an adequate supply of this lumber from our home markets. Many of them have experimented extensively with southern pine, in the efforts to substitute it for white pine, but this experiment has not been successful, and it is conceded that there is no lumber to be obtained from our home product that can be substituted for the regular western white pine; and as the western white pine is now very nearly exhausted, and as the small amount still available is controlled by a very small number of dealers, the future of the manufacturing interests dependent upon the present sources of supply in the white-pine lumber trade becomes exceedingly precarious.

If there ever has been any reason why the white-pine interests of this country should need protection, that reason has certainly vanished, and the question confronting large business interests of our country to-day involves a new source of supply in white-pine lumber or an extermination of their business.

Very much more could be said upon this subject, but we feel sure that you are in possession of extensive information and that you are aware of the strong sentiment in favor of free trade in Canadian white pine, and we therefore confidently expect that you will exert your influence to bring about this desirable end.

Yours, truly,

FENTON & SONS BOX AND LUMBER COMPANY,
A. G. SHERMAN, *Secretary.*

Letters similar in purport to the above from J. P. Mackenzie, of North Tonawanda, N. Y.; James Fenton, and Hurd Brothers, of Buffalo, N. Y., were also filed by Mr. Alexander.

PENCIL CEDAR.

THE GULF RED CEDAR CO., RICHMOND, VA., ASKS THAT SIDED OR SQUARED RED CEDAR BE ADMITTED FREE OF DUTY.

RICHMOND, VA., *November 16, 1908.*

HON. SERENO E. PAYNE, Esq.,

Chairman Committee on Ways and Means,

House of Representatives, Washington, D. C.

DEAR SIR: We beg to call your attention to the fact that tariff act of July 24, 1897, contains no clause applicable to red cedar (*Juniperus virginiana*), which is commonly known in this country as pencil cedar, the clauses Nos. 198 and 700 clearly referring to cigar-box cedar or Spanish cedar (*Cedrella odorata*).

Up to the time of this act, there had been no red cedar imported into this country, and we are anxious to get this timber in the new act. Up to the present time the pencil manufacturers of the world have found the red cedar of the States better suited for their purpose than any cedar known, but owing to the fact that the life of the cedar in the United States will only last a very few years, the pencil manufacturers will be forced soon to go to foreign countries for this timber.

We understand that all logs brought into this country, whether round or hewn, are free of duty. To this class on the free list, we would like to have added red cedar, sided or squared. The fact of siding or squaring in no way enhances its value in this country over hewn logs, but owing to the difficulty of getting good hewers in foreign countries, we might find it to our advantage to bring this timber in sided or squared. All of this red cedar would be worked up into very small boards for lead pencils, or cut into tongued and grooved boards for cedar closets. None of this timber would be used in the original shape in which it is brought in.

If your committee sees fit, we would like to have entered on the free list the following clause:

Red cedar (*Juniperus virginiana*) timber, hewn, sided, squared, or round.

It will be perfectly agreeable to us should you wish to add to this: provided it is not used in the original shape in which it is brought in.

Very respectfully,

GULF RED CEDAR COMPANY,
W. H. PARRISH, *President.*

SPRUCE PULP WOOD AND LOGS.

C. M. ZENGERLE, DETROIT, MICH., SUGGESTS A TRADE ARRANGEMENT WITH CANADA ON LUMBER PRODUCTS.

DETROIT, MICH., *November 23, 1908.*

MR. SERENO E. PAYNE, Esq.,

Chairman of Ways and Means Committee,

Washington, D. C.

DEAR SIR: I take pleasure in advising you that I am engaged in the business of buying and selling all kinds of manufactured lumber

at wholesale and retail at Cleveland, Ohio. I have been engaged in this business during the past thirty years, and I wish to place myself on record for free lumber and all other wood raw-material products from Canadian markets. It is really ridiculous to continue a \$2 per thousand tax on pine lumber when it is so clearly known to all men familiar with the present lumber trade that at this period pine lumber is sidetracked as a building material in the construction of houses and southern yellow pine has taken its place for that particular purpose.

At this period Canadian pine lumber has developed itself into the raw-material class on account of its high prices and scarcity of same. At the present time it is nearly wholly used by factory men in the manufacture of doors, window sash, moldings, and patterns for iron castings, etc., and therefore it does not come in competition with other lumber manufactured in the United States which is used in the building trade.

However, while I am firmly convinced that it is just and equitable to the American people to place Canadian lumber on the free list, I do suggest that you should demand something in exchange from Canada in return for this favor, and that should be spruce pulp wood and logs free of Canadian export duties in the Province of Ontario, Georgian Bay and Lake Superior districts. I am informed this particular item (spruce pulp wood) Canada is prohibiting the exportation into the United States by government stipulations in the sale of spruce-timber lands. Believing your committee will give my request for free lumber and all other raw-wood material favorable consideration, I remain,

Yours, very truly,

C. M. ZENGERLE.

LUMBER, LATHS, AND SHINGLES.

[Paragraphs 194, 195, 201, and 203.]

LUMBER MANUFACTURERS OF THE UNITED STATES FILE BRIEF REQUESTING RETENTION OF PRESENT DUTIES ON LUMBER, LATHS, AND SHINGLES.

WASHINGTON, D. C., *November 25, 1908.*

HON. SERENO PAYNE,

Chairman, and Members of the Ways and Means Committee.

HONORABLE GENTLEMEN: The manufacturers of lumber, laths, and shingles of the United States, 28,850 in number, and upon whom are dependent nearly 3,500,000 persons and a large number indirectly, respectfully submit, in addition to the testimony already presented to your committee orally, the following brief, requesting that you do not reduce the present duty on lumber, lath, and shingles.

Your petitioners believe that if the duty on lumber, lath, and shingles is reduced it will work a hardship on the fourth largest industry in the United States, as well as force a reduction in the wages paid to labor.

Forest preservation demands more attention than reforestation. The natural law of economy teaches us that a sufficient value should be allowed for any article of commerce to enable it to be used in its entirety and to the utmost advantage. Actual experience proves that

low prices compel the destruction of a large share, probably one-half, of our timber supply. The lumber manufacturer knows that an increase in the supply of lumber upon an already overburdened market must reduce the price he received, but because he has no control over the avenues of distribution he can not say what will be the effect on the price to the consumer.

If the market of the United States is opened to the competition of foreign producers on more favorable terms than now exist, the same waste now prevalent in lumber operations in this country will be sure to follow elsewhere. A great deal of comment is made upon the present prices asked for timber, but its value per thousand feet is only a fraction of the cost of the finished product when delivered to the consumer.

The recession of timber supply, causing increased cost of transportation to the centers of consumption, together with increased cost of lumber and supplies, accounts for the greatest proportion of advance in lumber prices. The annual crop of many agricultural products will produce as much yearly in net returns per acre as will an acre of timber carried a lifetime and from which only one crop can be harvested.

Timber is nonproductive till cut, but still is taxed at the same rate as property giving a commensurate revenue yearly. One of the principal aims of the Government should be to urge upon the various States the practical need of revising the method of taxation, taxing timber only when utilized. This will reduce the carrying charges so the standing timber will really be conserved and still the revenues would be the same to the States in the end.

The sawmills of the nation should be permitted to continue to pay a sufficient wage to their employees to enable them to maintain the present American high standard of living. The welfare of the American workingman employed in the lumber industry depends upon his being protected against the cheap labor of the Orient and the peon labor of Mexico. Taking the United States as a whole, there are about 850,000 men employed in the lumber industry, or 3,400,000 persons dependent thereon. These consume annually foodstuffs to the amount of about \$490,000,000, or nearly the total value of the entire wheat crop of the United States, as estimated by the Department of Agriculture for 1908. With the exception of agriculture, the lumber industry employs more wage-earners than any other product in the country, and is much less protected.

Taking the Forest Service report of the output of lumber, lath, and shingles, as distinct from the other manufactures of wood, and which are not under discussion in this brief, and reducing lath and shingles to board measure, the value of the 1907 lumber output, on the basis of \$15 per M feet f. o. b. mills, was \$630,735,000. As compared with other commodities it is as follows:

	Value.
Lumber products, 1907.....	\$630, 735, 000
Wheat, 1908.....	546, 827, 000
Cotton, 1907.....	640, 311, 538
Wool, 1907.....	129, 410, 942

Of these lumber is the least protected.

The fact that European countries are using less than 60 feet of lumber per capita while the United States is using about 500 feet per capita shows that the substitution of stone, brick, iron, steel.

cement, and other substitutes for lumber make themselves readily available.

There are 28,850 saw and shingle mills in the United States, according to the United States Census and Forest Service Bulletin "Forest Products, No. 2," issued November 18, 1908. These are as follows:

New York	2, 185
Pennsylvania	2, 131
North Carolina	1, 668
Virginia	1, 652
Kentucky	1, 451
Arkansas	1, 146
Tennessee	1, 104
West Virginia	1, 044
Washington	1, 036
Indiana	999
Ohio	987
Maine	927
Missouri	916
Michigan	906
Alabama	892
Mississippi	823
Georgia	788
Wisconsin	778
Texas	673
Oregon	644
Vermont	612
New Hampshire	544
Louisiana	531
Massachusetts	518
Illinois	499
Minnesota	429
South Carolina	365
California	321
Florida	302
Idaho	247
Connecticut	236
Colorado	230
New Jersey	166
Montana	130
Oklahoma	129
Delaware	106
Iowa	100
Utah	80
Wyoming	73
South Dakota	64
New Mexico	52
Rhode Island	41
Arizona	12
All other States	6
Total	28, 850

The foregoing proves that the lumber manufacturing industry is in so many hands that its control by a trust is impossible.

The production of these mills in 1907 amounted to 40,256,154,000 feet of lumber, 3,663,602,000 laths, and 11,824,475,000 shingles. At the present time this product bears 12 per cent duty, which is practically a revenue-producing duty and not a protective tariff, and hence should not be reduced.

The proper way to conserve the timber is to protect the lumber so that the entire contents of the tree can be utilized. The proper way to preserve the forests is to induce the private owners, state and government, to replant the area now useless except for the growing of timber. The removal of the duty will increase the waste and is

not a conservation measure. It would deprive this Government of a much-needed revenue and benefit no one.

Respectfully submitted.

J. B. White, Kansas City, Mo.; Edward Hines, Chicago, Ill.; J. A. Freeman, St. Louis, Mo.; H. H. Foster, Malvern, Ark.; D. E. Skinner, San Francisco, Cal., representing the following lumber associations: Southwestern Washington Lumber Manufacturers' Association, Montana Larch and Pine Manufacturers' Association, Western Pine Manufacturers' Association, Pacific Coast Lumber Manufacturers' Association, Georgia and Florida Sawmill Association, Northwestern Hemlock Manufacturers' Association, Northern Pine Manufacturers' Association, North Carolina Pine Association, Wisconsin Hardwood Lumbermen's Association, Southern Cypress Manufacturers' Association, Hardwood Manufacturers' Association of the United States, Yellow Pine Manufacturers' Association, and Oregon and Washington Lumber Manufacturers' Association, W. C. Nibley, La Grande, Oreg.; George M. Cornwall, Portland, Oreg.; Shingle Mills Bureau; Seattle Lumber Manufacturers' Exchange; Victor H. Beckman, Seattle, Wash.

BRIEF OF D. E. SKINNER, VICTOR H. BECKMAN, AND GEORGE M. CORNWALL, REPRESENTING THE PACIFIC COAST LUMBER, TIMBER, AND SHINGLE INTERESTS.

WASHINGTON, D. C.,

Wednesday, November 25, 1908.

COMMITTEE ON WAYS AND MEANS,

Washington, D. C.

GENTLEMEN: At the hearing before the Ways and Means Committee on November 20 Messrs. Skinner, Nibley, McCormick, Lamb, and McMaster testified as to the position of the Pacific coast in regard to a revision of the tariff on lumber, lath, and shingles.

There are over 2,600 saw and shingle mills, 190,000 wage-earners, and over one-half million people directly dependent on the manufacture of lumber, and anything that may affect the prosperity of this large number must be carefully scrutinized.

These people ask Congress not to remove the existing duty on lumber, lath, and shingles, because such removal will seriously affect the prosperity of the Pacific coast.

The exhibits attached, together with the statements and testimony, are conclusive, and are submitted for your consideration and approval.

On the Pacific coast we have varied vital conditions to confront in considering the maintenance of the present duty on lumber.

First. Competition with British Columbia, which has an enormous and yet unknown supply of timber at not over 40 per cent of the cost of the raw material to us, and the price of our timber is set not only on the price asked by the individual holder of timber, but an equally and in some instances higher price asked by the Government from its reserves. (See Exhibit D.)

Second. The vast difference in the cost of taxes, interest, and fire protection in this country as against the lesser cost in British Colum-

bia of taxes, and the almost entire elimination of the risk in carrying the timber, as the cost is not paid until the timber is harvested there, and then only on the same amount as received by the timber holder. In other words, he does not pay the Canadian government royalty on any more in measurement that he receives.

Third. The timber there lies still adjacent to the rivers and salt water, and can naturally be logged much cheaper than ours, which has to be hauled to the water by rail in practically all locations. If a railroad has to be built there under dominion charter, a subsidy is allowed of \$5,000 per mile, which either pays for the construction over favorable grounds or helps so much to decrease the cost as compared with ours.

Fourth. The exclusion of oriental labor from our shores and the increased cost of transportation to immigrants from Europe prevents this source of labor for our competition with their manufacture of lumber, and it is reasonably estimated that their cost is at least 30 per cent cheaper than ours, especially because of an unlimited supply of orientals.

It must be borne in mind, too, that a Japanese or Hindu has to perform practically the same amount of work per day in the saw and planing mills as the white man, as the machine sets the pace of his work and he must take care of its output. The rate by rail to our eastern markets, which consume 50 per cent of the production, is the same from British Columbia, but our Government has no control over the initial line.

Fifth. The cost of freight by foreign vessels from British Columbia is 33 per cent less to California, where we consume annually an average of 1,200,000,000 feet of lumber from Washington and Oregon.

The coastwise laws of the United States absolutely prevent our participation in the privilege of using foreign vessels. This would have an immediate and lasting effect on our water-borne coastwise trade, and looking, as we must, to the near future of the vast markets that will be opened up by the use of the Panama Canal, we will be handicapped by more than the present duty in all the East Coast States, where lumber can now be delivered via vessel to Boston for the New England trade, and New York for all the territory east of Buffalo and Pittsburg at a combined water-and-rail rate less than the all-rail rate across the continent to the latter points. We have no American tonnage now and no optimistic view that we will ever have any when they can not live in competition with the operating cost of foreign vessels.

Sixth. Grant that at some time in the "twilight zone" of the future the cost of the timber and manufacturing and water rates from which we are deprived by the government laws should ever be the same, why should the labor be paid to foreigners instead of the 190,000 men employed in lumbering on the Pacific coast, together with those dependent upon them, and the vast number of industries which they support?

Seventh. If the conditions created by the additional competition from Canada bring about a continuation for years of the present prices, as we have every reason to know they will, the Government can not relieve us of the enormous carrying charges, and it will practically mean "taxation without representation" and eventual confiscation. We must also look forward to the competition we will have

from the Yalu River territory, the Saghalen Island, and Mexico, which can to-day, because of empty foreign tonnage, be transported to our coast as ballast and manufactured with the oriental labor at a cost of 10 to 20 cents per man per day at port of shipment. When the canal is opened for this return traffic for empty tonnage it will prove a more serious menace than Canadian competition to-day. Why open these vast forests by too early a demand on them to a destruction of half their contents, when they can be kept as a perpetual storehouse for our supply when we need them?

AS IT AFFECTS THE PACIFIC COAST.

The output of the Pacific Coast States during the year 1907 was as follows:

State.	Number mills.	Lumber.	Lath.	Shingles.
		<i>Feet.</i>	<i>Pieces.</i>	<i>Pieces.</i>
Washington.....	1,309	3,777,606,000	430,791,000	6,886,542,000
Oregon.....	644	1,635,563,000	281,000,000	300,000,000
California.....	321	1,345,943,000	90,000,000	707,421,000
Idaho.....	247	513,788,000	65,000,000	-----
Montana.....	130	343,814,000	10,000,000	-----
Total.....	2,651	7,616,714,000	876,791,000	7,893,963,000

The estimated amount of stumpage in these States is 800,000,000,000 feet, which at the present rate of output would require ninety-three years to exhaust. In other words, owing to the rapid growth of timber on the Pacific coast, another crop of timber will be ready for harvest before the present crop is garnered. In fact, there are localities in the State of Washington where a second crop is now being cut, the first being harvested in 1853. It may also be stated that the standing timber has been greatly underestimated. It is safe to say that the standing timber on the Pacific coast is nearer 1,400,000,000,000 feet than 800,000,000,000 feet. This is borne out by statements of county assessors in the State of Washington, who, after a thorough cruise, raised the previous estimates in many instances 100 per cent after ten years of cutting. The Government here owns its greatest reserves, and all the streams are protected.

The total shipments by water from Washington and Oregon and British Columbia from 1894 to 1906, inclusive, were as follows:

Year.	Coastwise shipments.		Export shipments.	
	From Washington and Oregon.	From British Columbia.	From Washington and Oregon.	From British Columbia.
	<i>Feet.</i>	<i>Feet.</i>	<i>Feet.</i>	<i>Feet.</i>
1894.....	321,349,288	1,929,589	76,961,984	34,262,549
1895.....	409,977,544	13,002,811	131,055,817	40,745,270
1896.....	375,026,327	1,461,012	145,153,109	62,643,912
1897.....	374,096,863	-----	153,679,787	62,288,176
1898.....	379,176,352	-----	106,893,041	55,184,608
1899.....	442,548,096	-----	137,288,990	49,132,308
1900.....	462,678,297	-----	159,942,663	74,981,513
1901.....	476,913,308	170,260	198,401,355	67,486,090
1902.....	653,557,785	1,000,000	190,208,450	55,685,008
1903.....	620,645,169	-----	279,811,579	62,238,694
1904.....	628,186,982	-----	215,317,731	33,177,244
1905.....	776,063,074	-----	258,884,779	49,811,930
1906.....	1,153,691,705	797,868	333,878,634	79,176,862

Figures as to rail shipments are not obtainable as to Oregon, California, Idaho, and Montana, but following is a statement for a series of years as to shipments from the State of Washington by railroad:

Year.	Lumber.	Shingles.
	<i>Feet.</i>	<i>Pieces.</i>
1894.....	64,245,000	1,753,000,000
1895.....	104,205,000	2,033,600,000
1896.....	137,790,000	2,231,840,000
1897.....	124,110,000	2,956,320,000
1898.....	156,465,000	3,089,920,000
1899.....	225,525,000	3,719,300,000
1900.....	284,280,000	3,797,440,000
1901.....	364,530,000	4,485,600,000
1902.....	565,800,000	5,261,760,000
1903.....	640,515,000	5,722,240,000
1904.....	656,885,000	5,812,160,000
1905.....	1,095,570,000	5,997,760,000
1906.....	1,535,180,000	6,824,000,000

It may be stated that the reason the Pacific coast lumber men can compete with British Columbia manufacturers in export shipments is due to the fact that the bulk of the export requirements call for select lumber, which is equally as valuable on the other side of the line as in the United States. But it is the lower grades, such as are shipped into California and the eastern markets that the American mill men fear in the event of free lumber. Already British Columbia firms are casting about for entry to this California market. This will result in forcing the American mill man either to ship his product to the eastern market or further increase his export trade. In forcing his lumber to the East he first encounters a \$15 railroad freight rate for \$7 lumber, and, second, the influx of an immense amount of low-grade lumber from eastern British Columbia.

In the matter of shingles, this is a commodity made from refuse cedar lumber, dead timber, and of a class not fit for lumber or any other purpose. It is a coarse-grained material and could not be used in the manufacture of pencils, cigar-box material, or other specialties. The bulk of the standing cedar is hollow, with limbs reaching from the ground to the top of the tree. These limbs produce knots, which fall out when the material is kiln-dried, and hence the quantity of lumber obtained is very small. Many of the shingle mills are cutting up timber burned, decayed, or fallen down, and under no circumstances could forest preservation be carried out in this material. It does not even make good firewood. This industry to-day is compelled to close down five months in the year because of Chinese competition in British Columbia, and instead of a duty of 30 cents on shingles per thousand, it should be 60 cents. Of 434 shingle mills in the State of Washington only 2 employ oriental labor, and of the 14,000 men employed in manufacturing shingles, 13,959 are white men and American citizens. (See Exhibit E.)

In the matter of wages the withdrawal of the duty on lumber and shingles will seriously affect labor conditions on the Pacific coast, especially in western Washington and western Oregon. According to estimates prepared by Mr. Clark, United States immigration agent at Toronto, there are no less than 60,000 Chinese, Hindus, and Japanese in British Columbia, practically 25 per cent of the population. These are largely employed in the saw and shingle mills, in the fisheries, and on the railroads. Very few of the saw and shingle

mills in western British Columbia employ a full complement of white labor. This is graphically portrayed in the photographs. (See Exhibit A.) Here are scenes in mills located in the United States, where only American white labor is employed, whereas one hour's ride on the railroad will bring one into the mills where oriental labor predominates.

It is admitted that Japanese are employed to a limited extent in the State of Washington, but so limited that only two shingle mills of a total of 434 employ oriental labor, while in British Columbia it is a common occurrence where out of a crew of 50 less than 5 are white men. This is thoroughly covered by the affidavits in Exhibit A. (See Exhibit A.)

Mr. Bloedel (see Exhibit A) goes into the average wages paid in his plant, 20 miles from the British Columbia border. His wages are a trifle higher than the average. Following are average daily wages on Puget Sound, in the State of Washington, and in western British Columbia:

	Puget Sound.	British Columbia.
Circular sawyers.....	\$4.77	\$4.00
Edgermen.....	3.01	3.00
Setters.....	2.71	2.75
Circular filers.....	4.80	4.00
Planer foreman.....	3.63	3.75
Planer hands.....	2.28	2.00
Tallymen.....	2.66	2.25
Engineers.....	3.20	3.50
Firemen.....	2.40	2.00
Common labor (white).....	1.97	1.85
Average.....	3.14	2.91

Oriental common labor in British Columbia, 80 cents to \$1.50.

In a mill cutting 100,000 feet of lumber per day 25 men are skilled and 75 unskilled. On the basis of white labor the British Columbia lumber manufacturer still has the advantage in the cost of labor over his American competitor. In the case of oriental labor, which predominates in British Columbia saw and shingle mills, the advantage is pronounced. The wages of the 75 Orientals, at an average of \$1.15 per day, would be \$86.25, while the wages of 75 American unskilled laborers would be \$169.75. It will be conceded, perhaps, that this item alone would enable the British Columbia lumber manufacturer to undersell his American competitor, provided the duty be removed.

The foregoing statement of wages for Puget Sound was compiled from reports received from over 100 sawmills. The British Columbia statement is from the Reliable Labor Agency, of Vancouver, British Columbia, and is included in Exhibit B. (See Exhibit B.) Covering the cost of labor in eastern British Columbia—a section covered in the testimony of Mr. Lynch—the affidavit of Mr. F. D. Becker, of Seattle, Wash., may throw some light. This is included in Exhibit C.

In relation to the labor and the wages paid in shingle mills in British Columbia, this item is covered in Exhibits A and B. In every department of a shingle mill, except the sawyer and engineer, Chinese are employed. In the State of Washington only two shingle mills employ Orientals.

In the matter of wages, the relative position of foreign and American vessels should not be overlooked. The wages of a British-manned vessel is \$15 per month for sailors, and a Chinese-manned vessel \$8 per month, while the wages received by American sailors are \$40 per month. This would give the British Columbia lumber manufacturers a decided advantage in freight rates to California in the event of the removal of the duty on lumber. As California consumes annually over 1,200,000,000 feet of lumber from Washington and Oregon it can be seen how thorough the demoralization is threatened.

The estimated number of men employed in the lumber and shingle industry, number of mills, and annual pay roll on the Pacific coast is as follows:

State.	Number mills.	Men employed.	Annual wages.
Washington.....	1,309	110,000	\$75,000,000
Oregon.....	644	34,251	23,975,000
California.....	321	28,610	20,027,000
Idaho.....	247	10,492	5,246,000
Montana.....	130	7,016	3,508,000
Total.....	2,651	190,369	127,756,000

On the basis of four persons to the family, no less than 761,476 persons on the Pacific coast are directly dependent on the lumber industry. At a cost of \$12 per month for subsistence, these 761,476 persons contribute to the farmers and others annually the sum of \$109,652,764 for foodstuffs. The farmer who will be benefited in his lifetime to any extent whatever by free lumber should study the situation with reference to the purchasing power of labor in the event lumber is placed on the free list.

Not only will the lumber industry suffer, but the railroads will lose the haul from the Pacific coast. The railroads carry annually 160,000 carloads of lumber and its products from Washington, Oregon, California, Idaho, and Montana. This means the employment of an army of men.

In fact, so vital is the lumber industry to the Pacific coast that all interests must suffer. Mr. George M. Allen, commissioner of statistics of the State of Washington, gives the valuation of the products of that State for 1906 as follows:

	Value.
Lumber.....	\$65,000,000
Shingles.....	17,000,000
Grains.....	33,087,000
Fisheries.....	7,069,000
Coal.....	5,490,000
Coke.....	600,000
Total.....	128,246,000

It will be noted that of the total the lumber and shingle industry contributed \$82,000,000. If this industry is crippled the entire State will suffer.

In the removal of the duty on lumber the laboring man and the farmer will be the principal sufferers. The pay roll will go to British Columbia, and the Canadian farmer will supply the foodstuffs. The only way the American lumber manufacturer could compete would be

by the withdrawal of the exclusion act or the removal of the duty on foodstuffs.

A word about the efficiency of oriental labor. It will be noted in Exhibit A that the Hindus are large men—in fact, trained soldiers and British subjects. Physically the Japanese and Chinese are not in the same class, but nevertheless have equal endurance. It does not require two Japanese for one white man, as has been stated. As a matter of fact, all labor in the sawmill is back of different machines, and speed is required to take the lumber from the machines. Any practical lumberman knows that it would be impossible for two men back of a machine to carry out the work. Taking it mill by mill, the British Columbia mills employ the same number of men as the American mills of given capacity. In shingle mills in British Columbia the Chinese shingle mill crews are employed by piecework.

It is interesting in this connection to note the following statement of the arrivals of Orientals at the Canadian ports of Victoria and Vancouver, British Columbia, during the ten months ending October 31, 1907, by W. L. MacKenzie, commissioner, to the governor-general in council, and on file at the interior department at Ottawa:

	Number.
Japanese.....	8, 125
Chinese.....	1, 266
Hindus.....	2, 047
Total.....	11, 438

In this connection Commissioner MacKenzie says:

Assuming, however, that 7,500 was the total Japanese population at the beginning of the year, it is not a matter of surprise that with the arrival at their shores of 8,125 Japanese in the ten months following the people of British Columbia, and more especially the residents of Vancouver, should have experienced some concern, and that as vessel after vessel landed an increasing number, until in fewer months than it had taken years to bring the Japanese population of British Columbia to what it was, this total was exceeded by new arrivals, that consternation should have been felt in many quarters. If anything more were needed to occasion unrest, it was to be found in the simultaneous arrival from the Orient of Hindus by the hundreds and Chinese in larger numbers than those of immediately preceding years. It was an alarm at numbers, and the cry of a white Canada was raised.

The Canadian government does not place a head tax on Japanese, and the Hindus are British subjects.

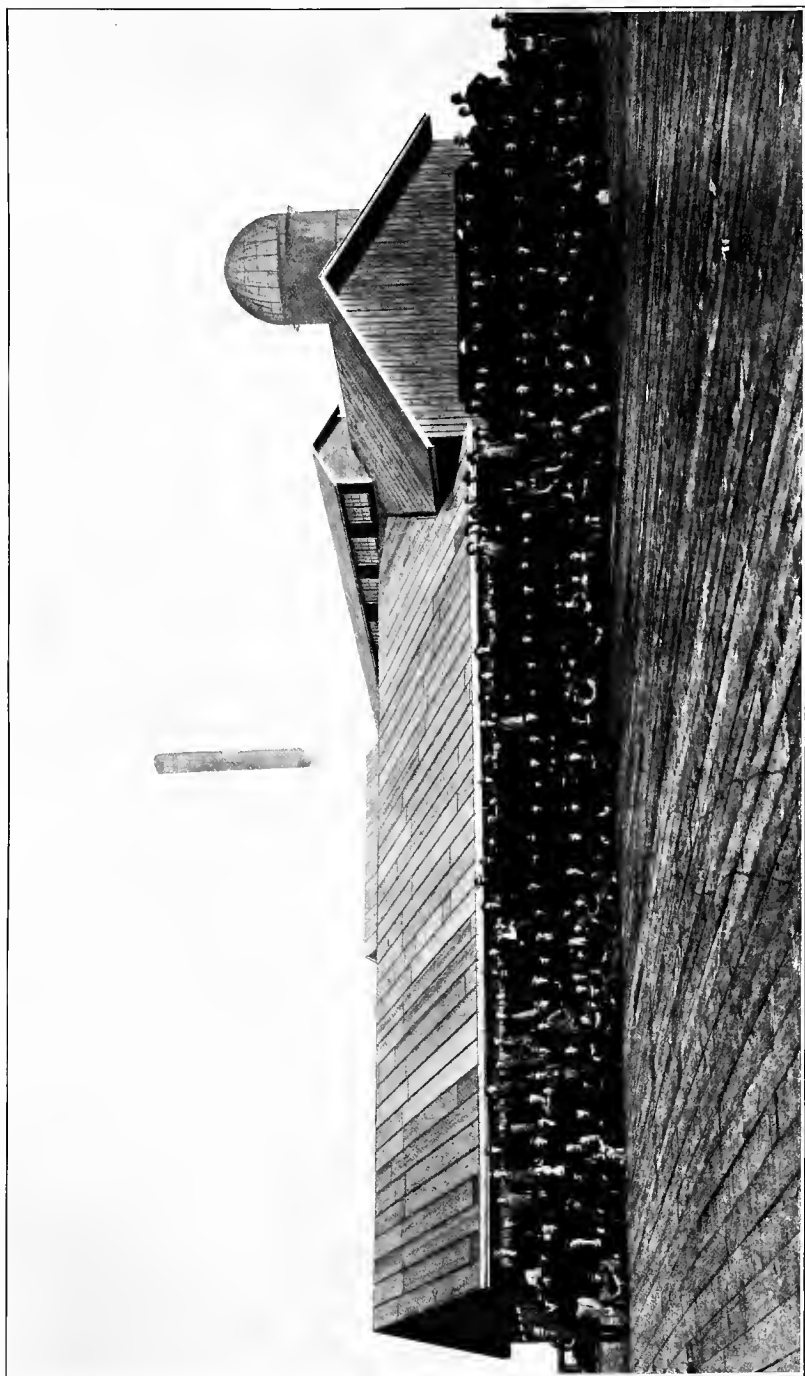
Attention is again called to Exhibit A and the affidavits attached, showing the extent of oriental labor employed in the mills of British Columbia. In comparison, it may be stated that of the 190,000 men employed in the lumber industry of the Pacific coast States less than 2,000 are other than white labor, and that the wages paid exceed those of other occupations.

EXHIBIT A.

Photographs and statements of J. Wayland Clark, F. L. Housley, and J. H. Bloedel, with reference to the duty on lumber and shingles and the effect its removal would have on the lumber industry.

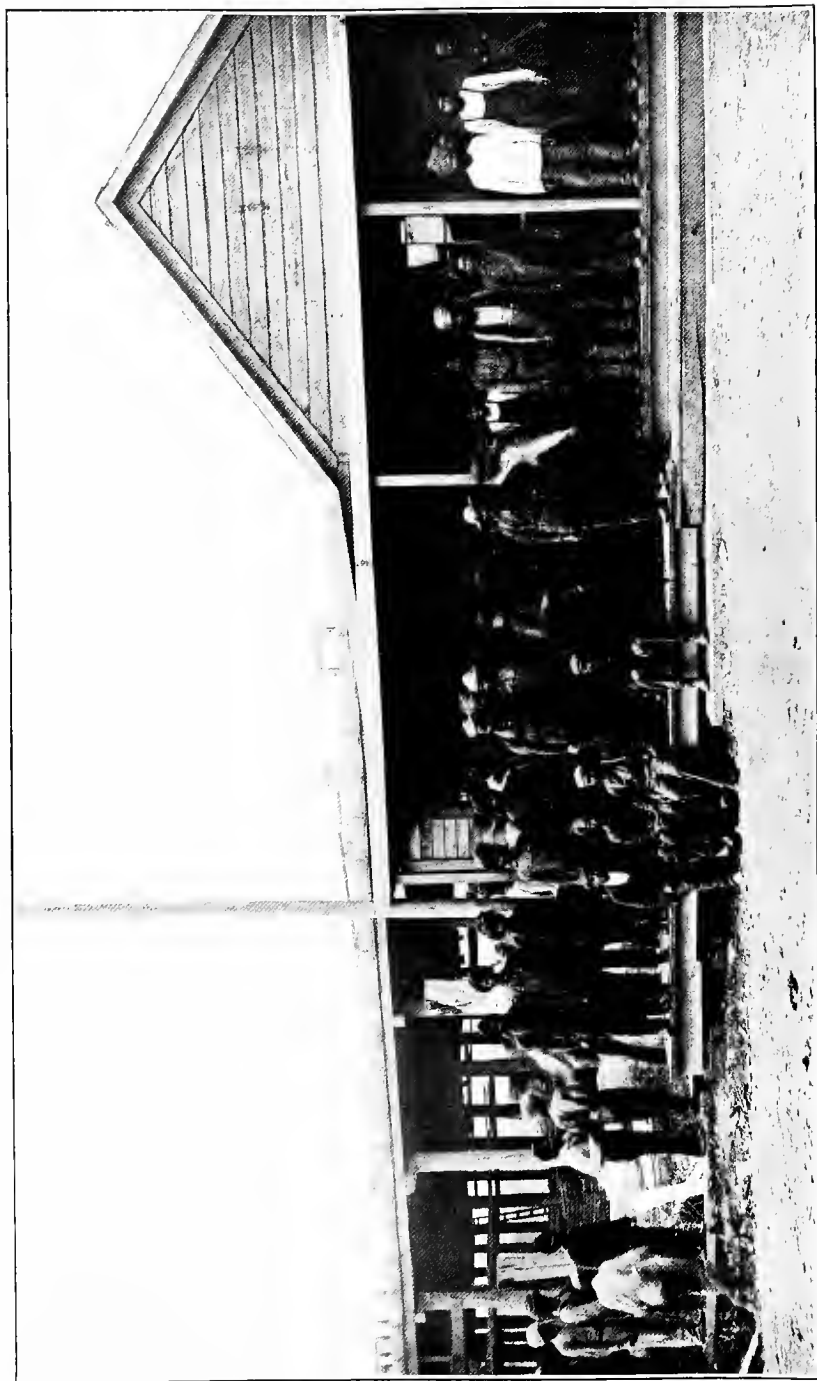
STATE OF WASHINGTON, *County of Whatcom*, ss:

I, J. Wayland Clark, a resident of the city of Bellingham, State of Washington, being first duly sworn, do depose that during twenty



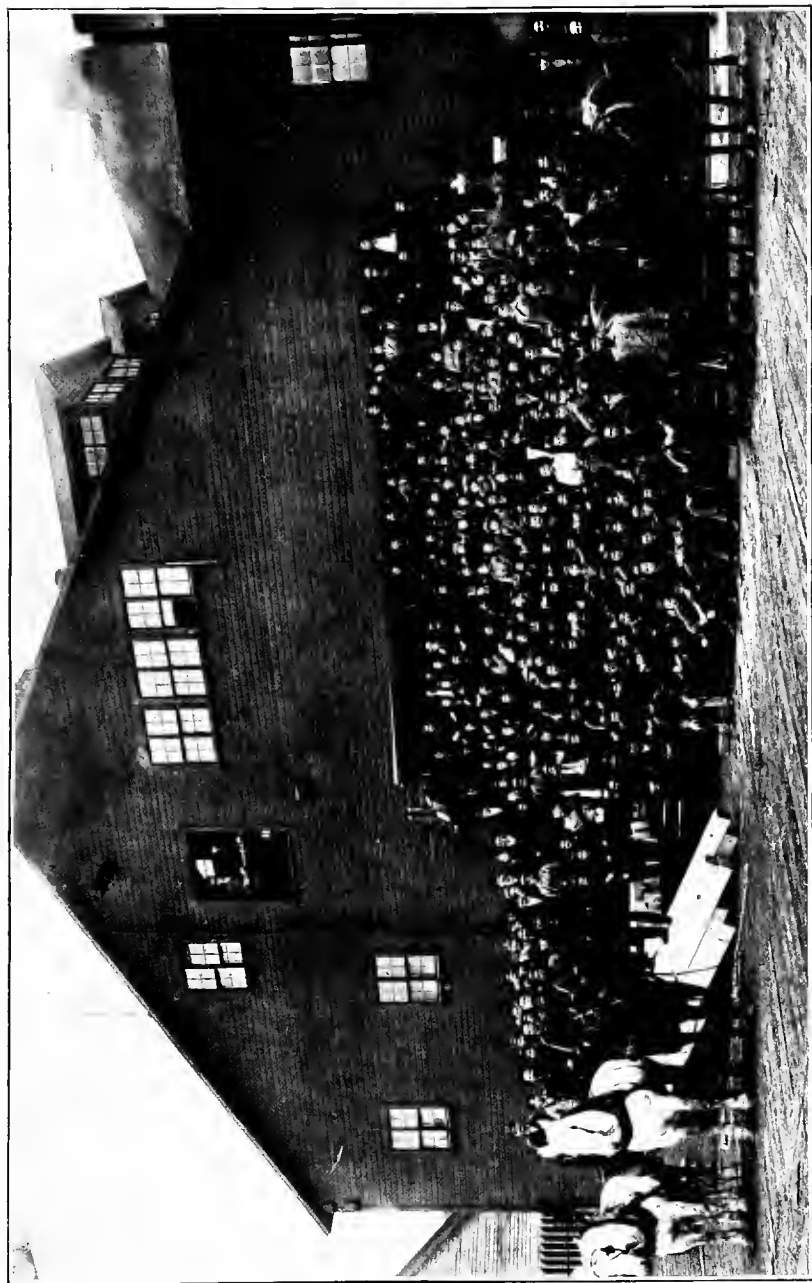
LARSON LUMBER COMPANY, BELLINGHAM, WASH. ALL WHITE MEN.

Wages, \$2 to \$4 per day. Expert wages, \$5 to \$10 per day.



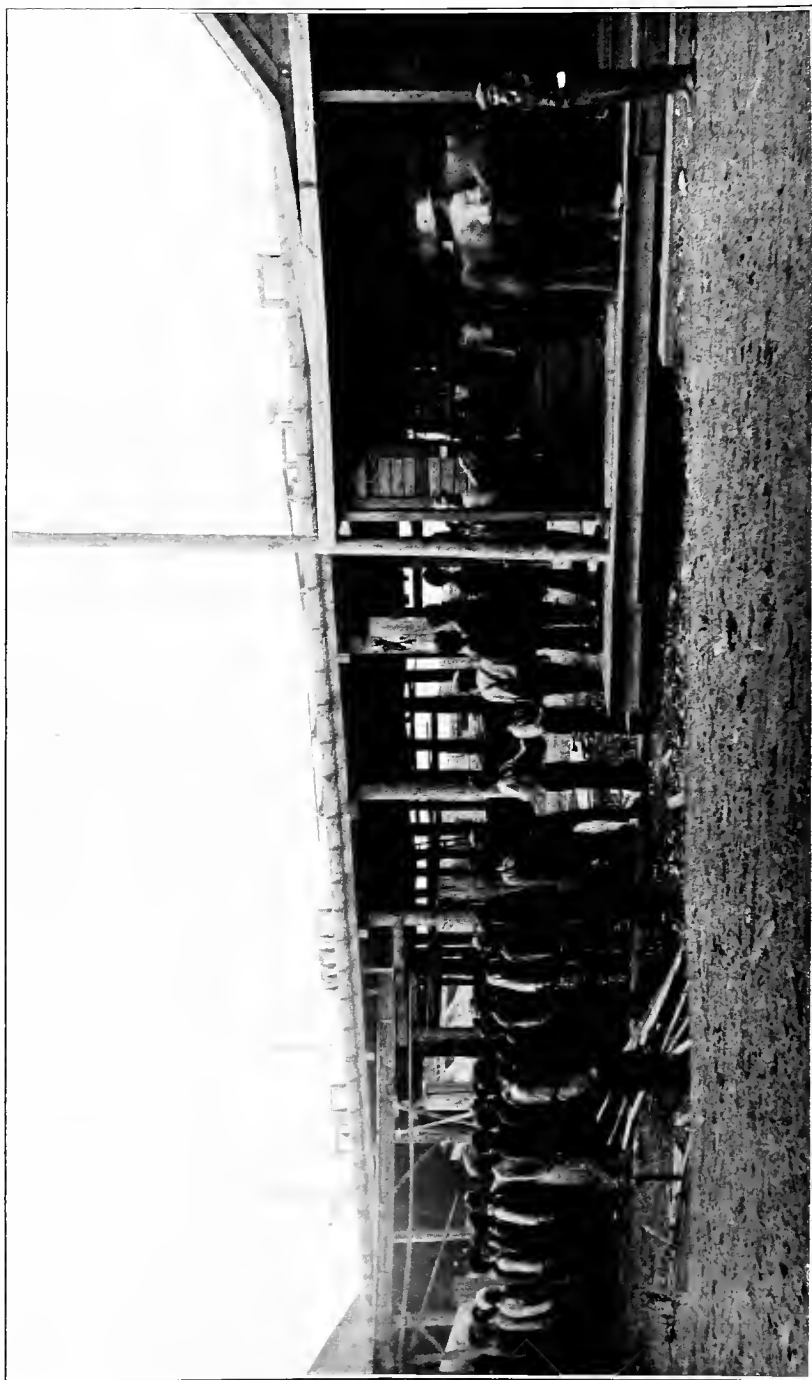
FRASER RIVER MILLS, NEW WESTMINSTER, BRITISH COLUMBIA.

A group of Hindus after being paid off at the rate of 80 cents to \$1.25 per day.



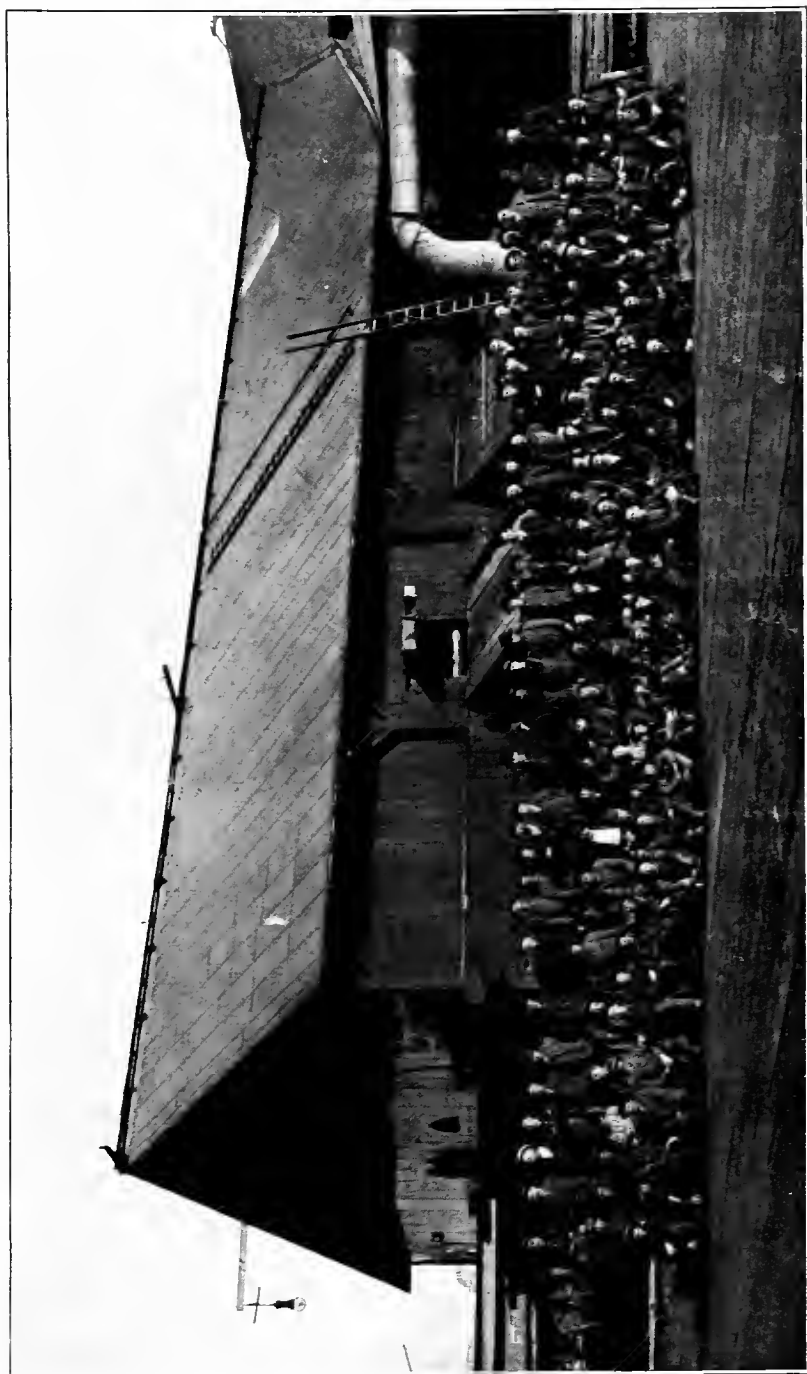
PUGET SOUND MILLS AND TIMBER COMPANY, BELLINGHAM, WASH. ALL WHITE MEN.

Wages, \$2 to \$4 per day. Expert wages, \$5 to \$10 per day.



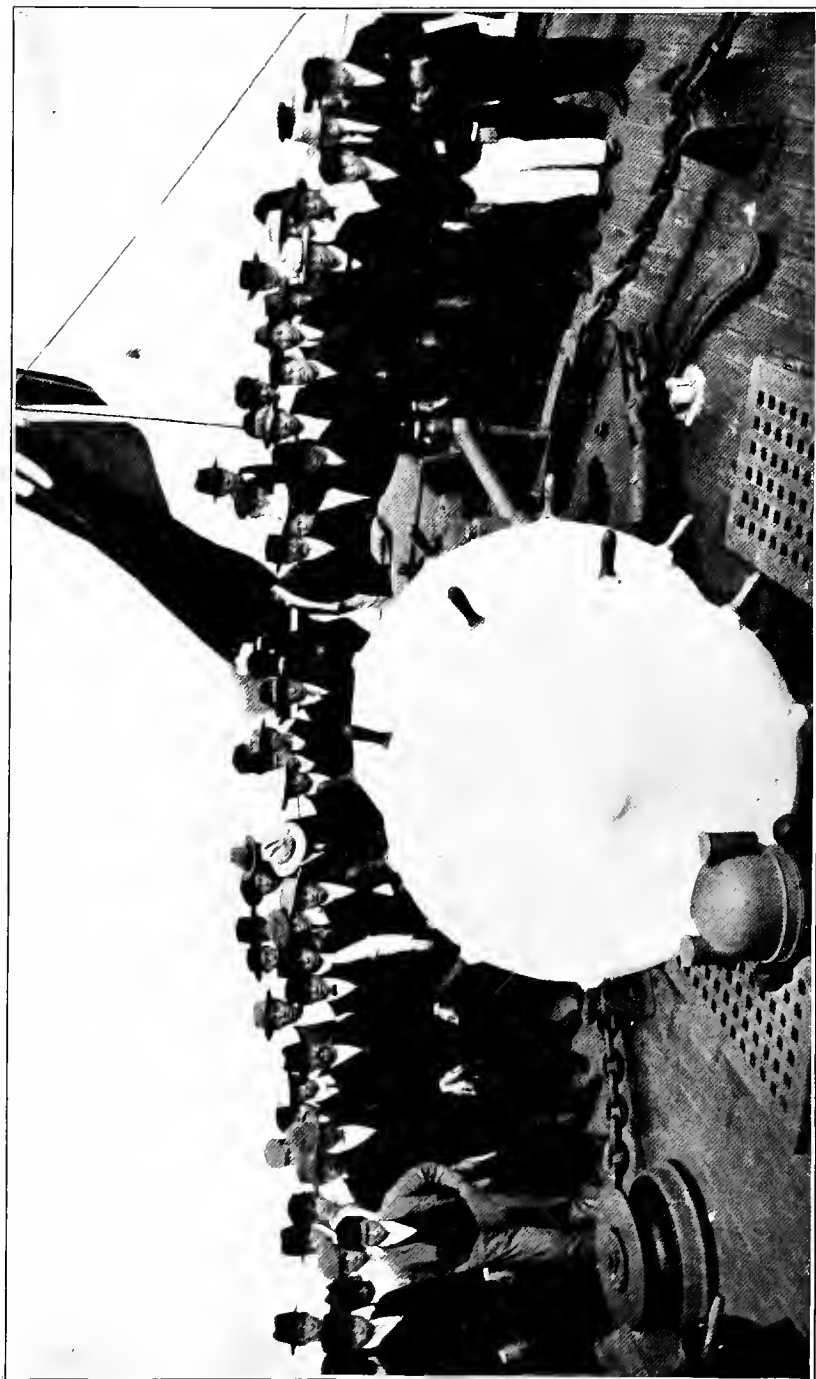
FRASER RIVER MILLS, NEW WESTMINSTER, BRITISH COLUMBIA. A GROUP OF HINDOOS AT PAY WINDOW.

Wages, 80 cents to \$1.25 per day.

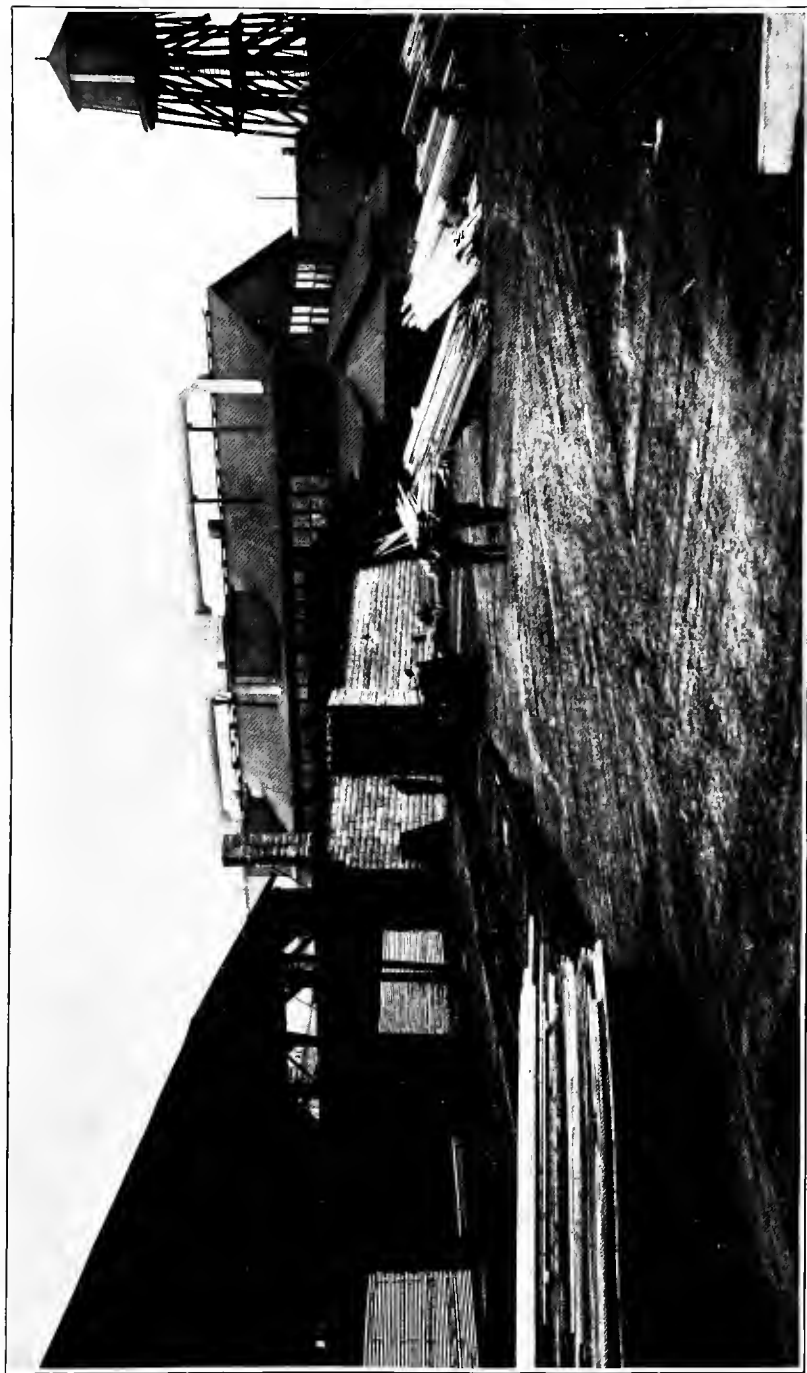


E. K. WOOD LUMBER COMPANY, BELLINGHAM, WASH. ALL WHITE MEN.

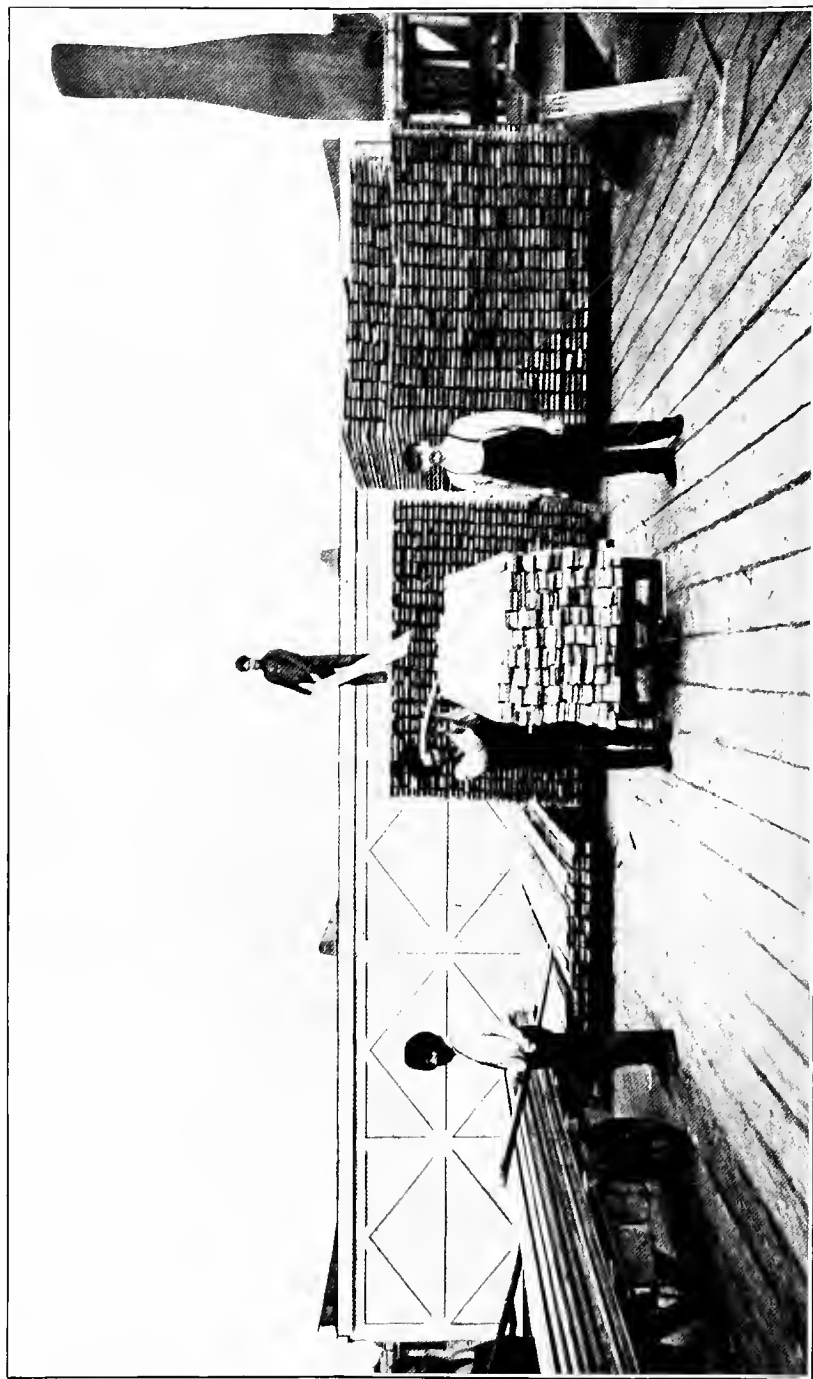
Wages, \$2 to \$4 per day. Export wages, \$5 to \$10 per day.



AN INCOMING GROUP OF JAPANESE GOING TO WORK IN SAWMILL AT \$1.25 PER DAY.

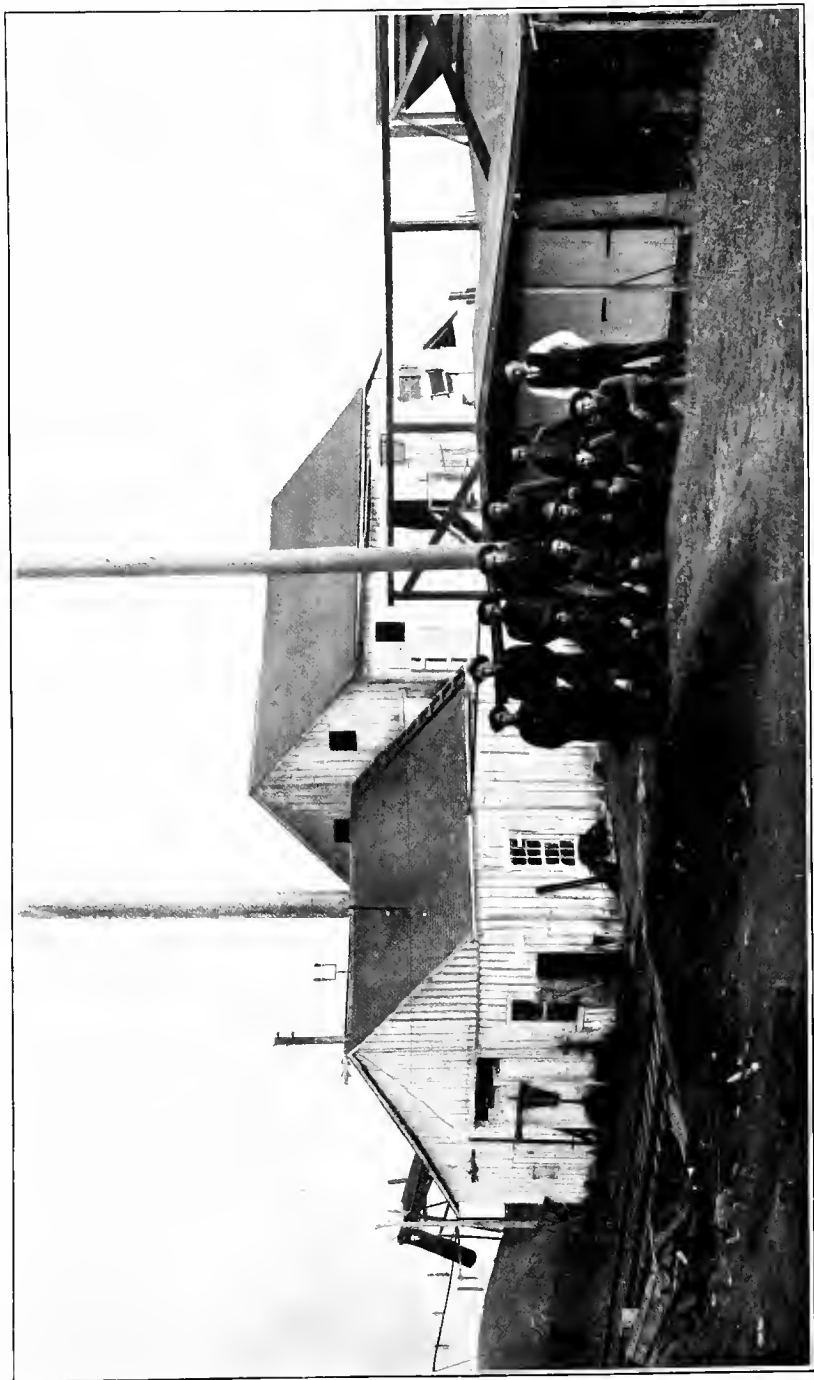


LARSON LUMBER COMPANY, BELLINGHAM, WASH.
White labor in the yard receives from \$2 to \$2.25 per day.



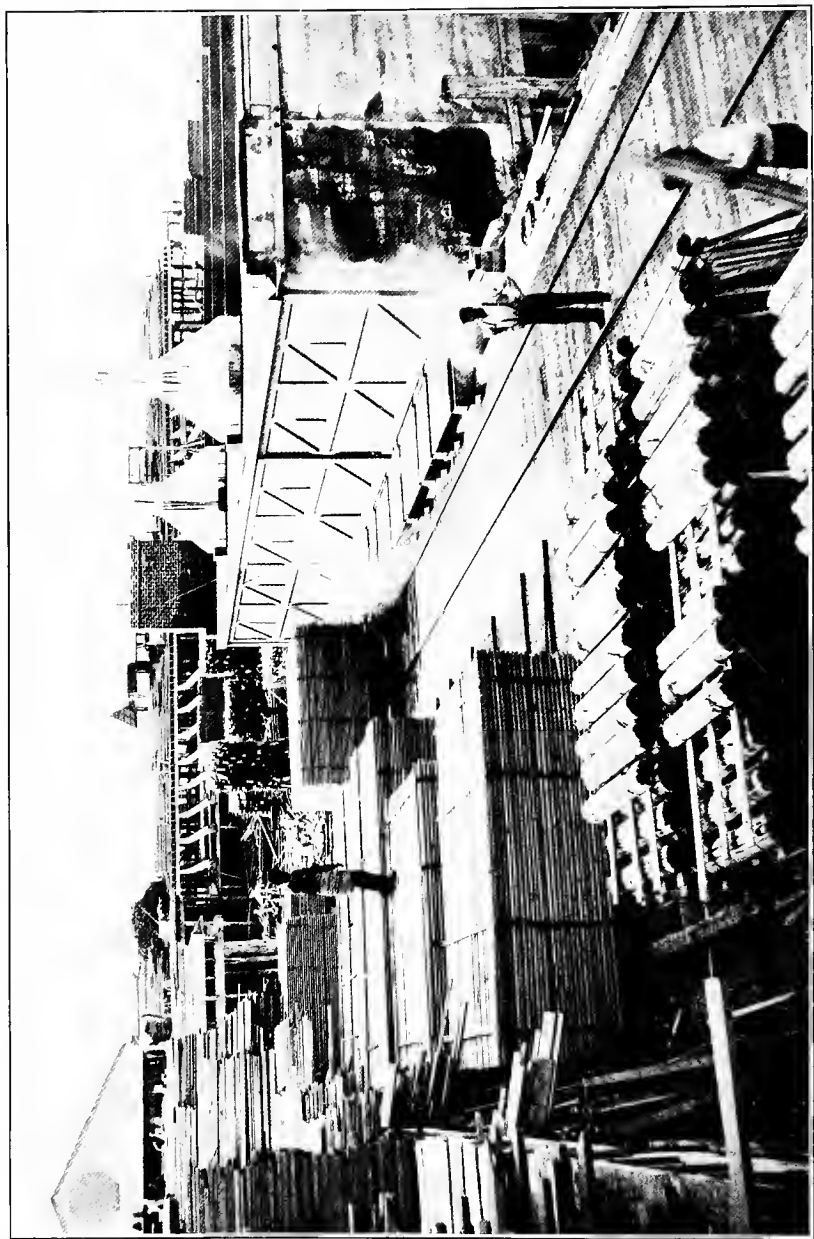
FRASER RIVER MILLS, NEW WESTMINSTER, BRITISH COLUMBIA.

Hindoo labor in the yard receives from 80 cents to \$1.35 per day.



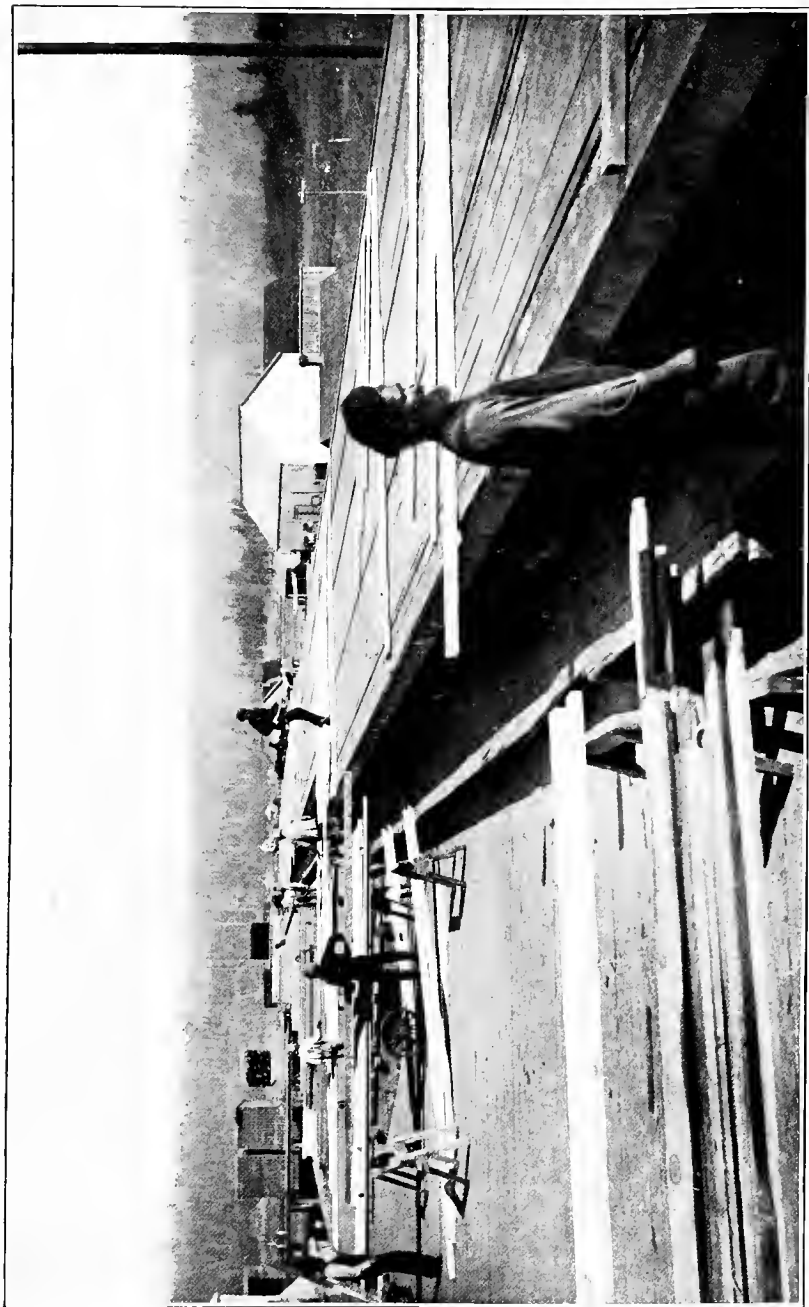
SILVER BEACH SHINGLE COMPANY, BELLINGHAM, WASH. A SMALL SHINGLE MILL. ALL WHITE MEN.

Wages, \$2.50 to \$4 per day. Expert wages, \$4 to \$7 per day.



HINDOOS AT WORK IN YARD, RECEIVING 80 CENTS TO \$1.25 PER DAY IN BRITISH COLUMBIA.

(In the State of Washington for similar labor wages of \$2 to \$2.25 per day are paid.)



HINDOOS AT WORK IN YARD, RECEIVING 80 CENTS TO \$1.25 PER DAY IN BRITISH COLUMBIA.

(In the State of Washington for similar service wages of \$2 to \$2.25 per day are paid.)

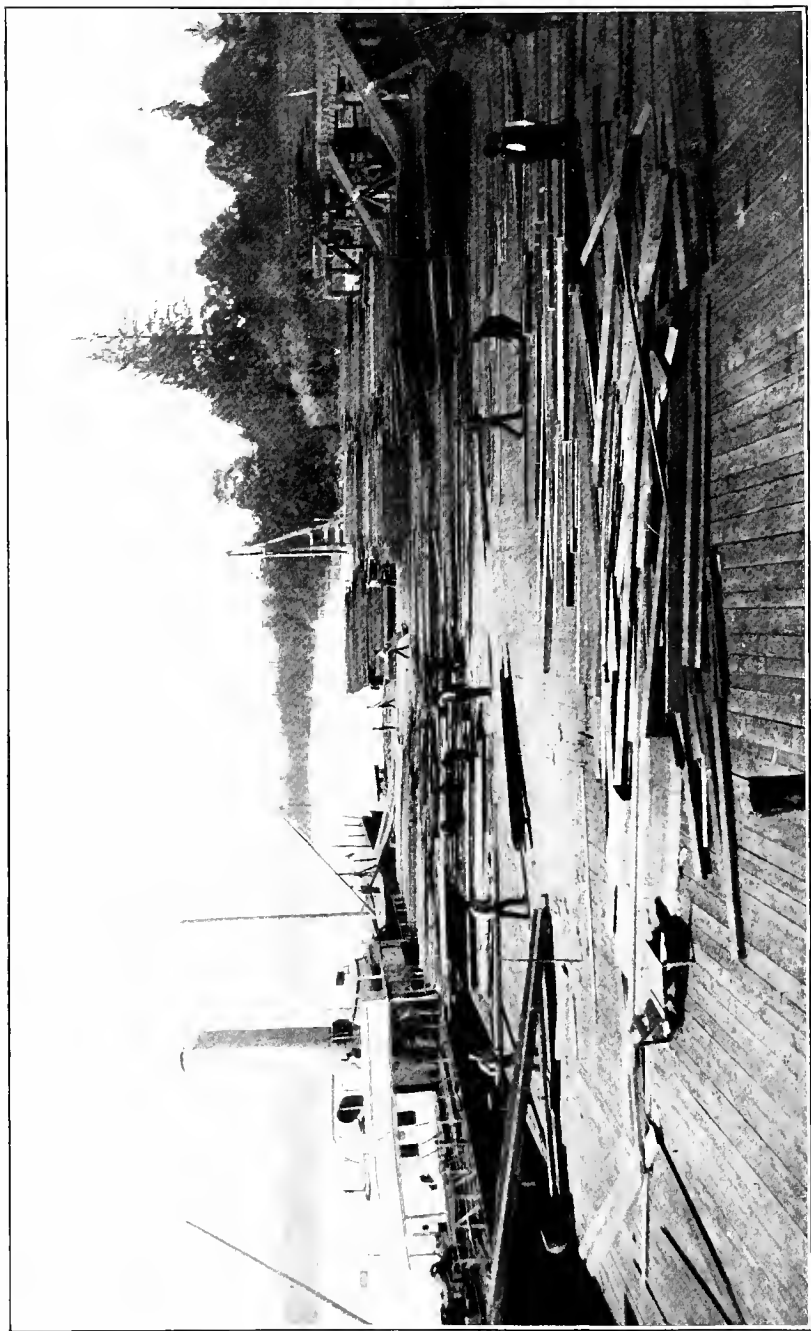


HINDOOS AT WORK IN YARD, RECEIVING 80 CENTS TO \$1.25 PER DAY IN BRITISH COLUMBIA.

(In the State of Washington for similar service wages of \$2 to \$2.25 per day are paid.)

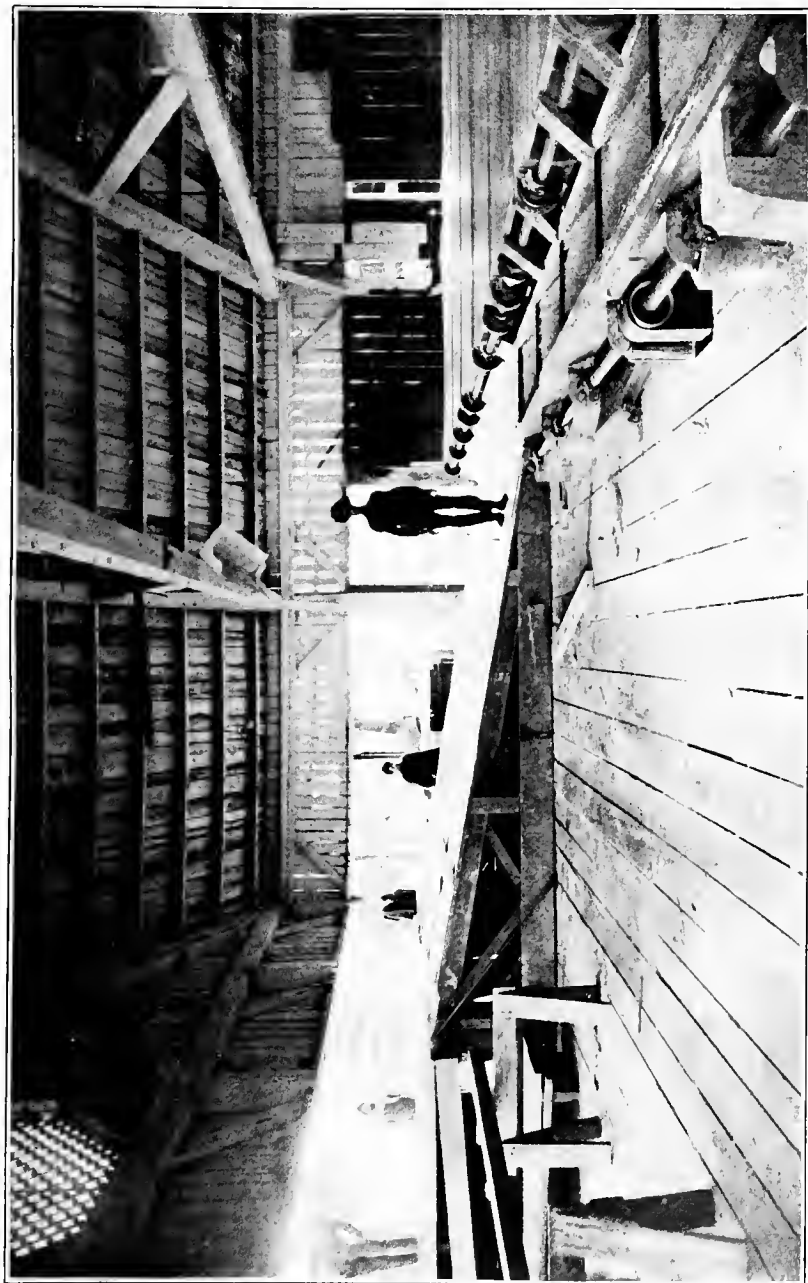


HINDOOS AT WORK IN YARD, RECEIVING 80 CENTS TO \$1.25 PER DAY IN BRITISH COLUMBIA.
(In the State of Washington for similar labor wages from \$2 to \$2.25 per day are paid.)



HINDOOS AT WORK IN YARD, RECEIVING 80 CENTS TO \$1.25 PER DAY IN BRITISH COLUMBIA.

(In the State of Washington for similar labor wages of \$2 to \$2.25 per day are paid.)



THIS LABOR RECEIVES ABOUT \$1.25 PER DAY IN BRITISH COLUMBIA.
(In the State of Washington similar labor receives about \$3 per day.)



THIS LABOR RECEIVES ABOUT \$1.25 PER DAY IN BRITISH COLUMBIA.
(In the State of Washington similar labor receives about \$3 per day.)



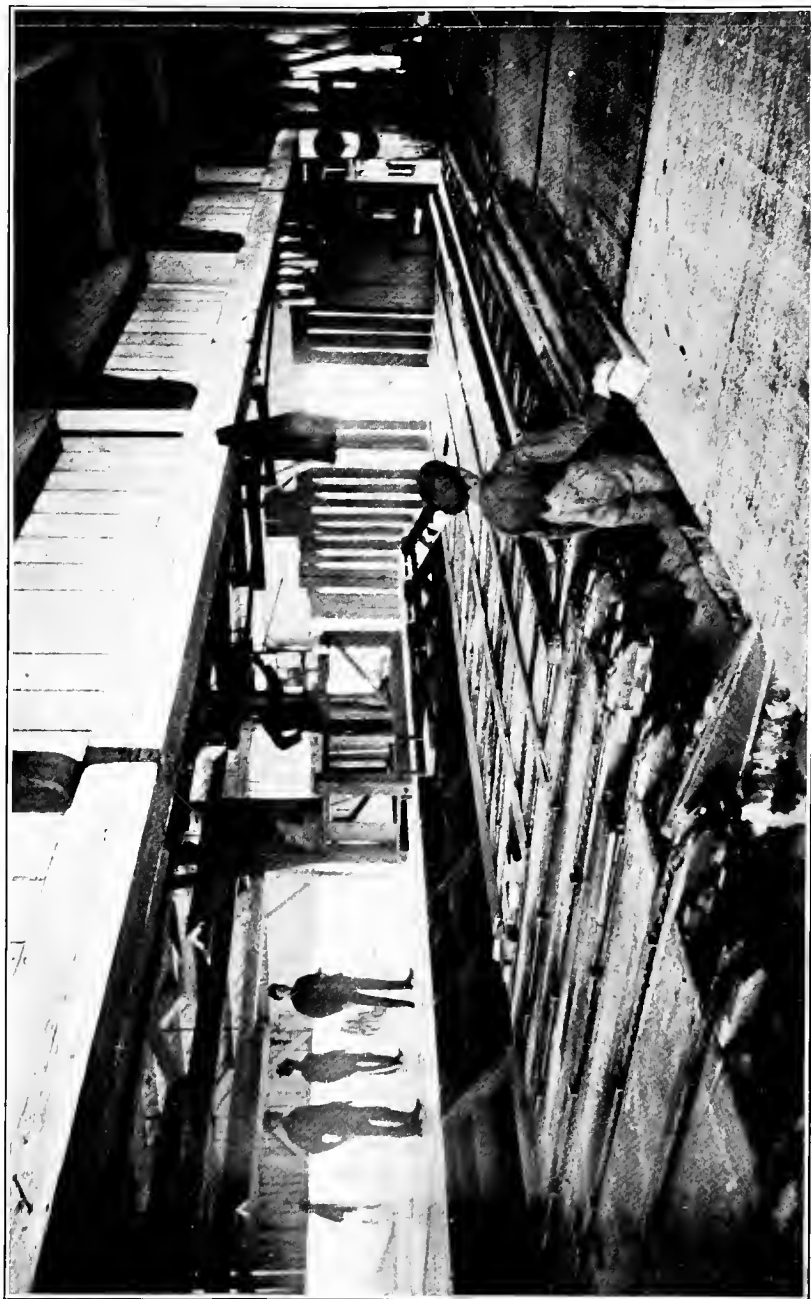
THIS LABOR RECEIVES ABOUT \$1.25 PER DAY IN BRITISH COLUMBIA.
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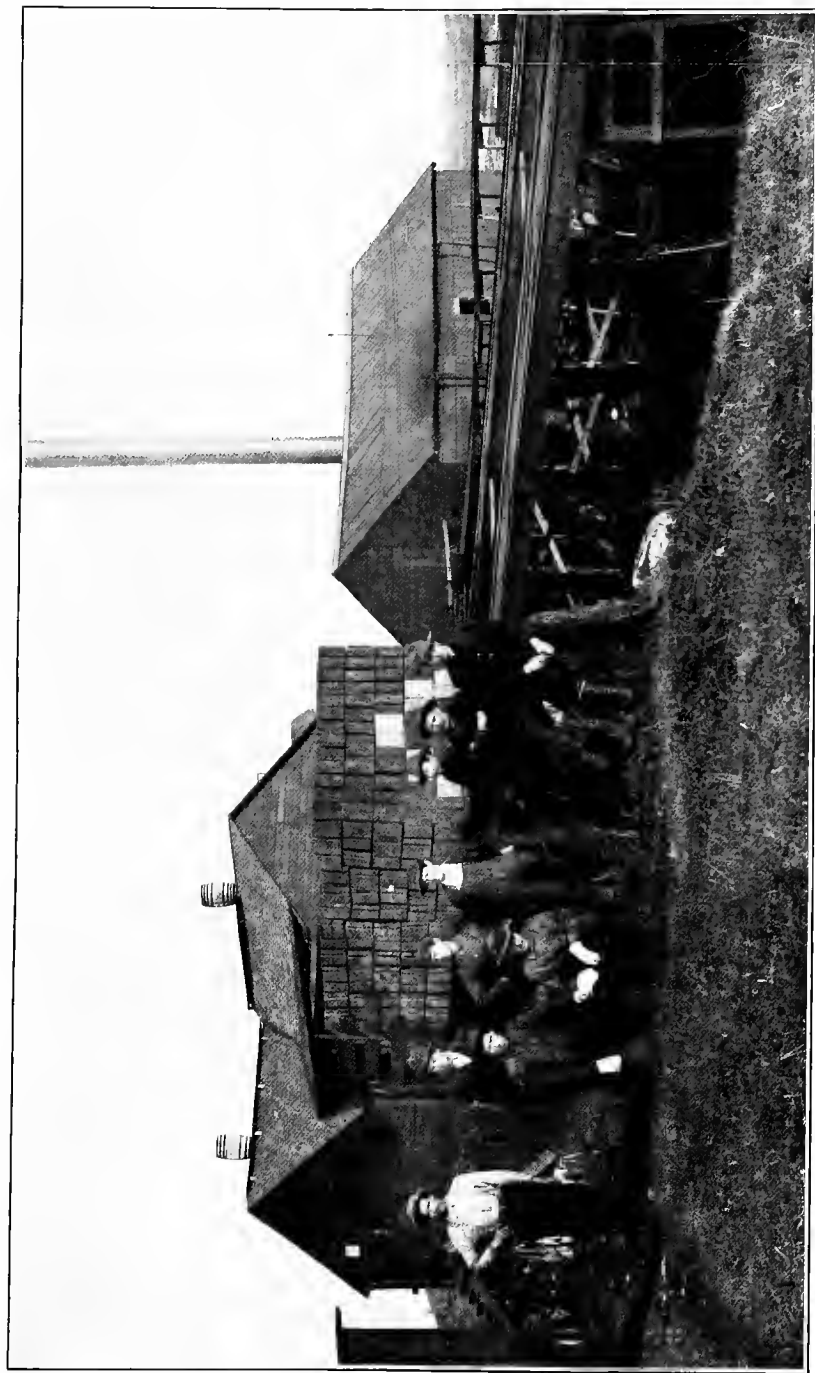
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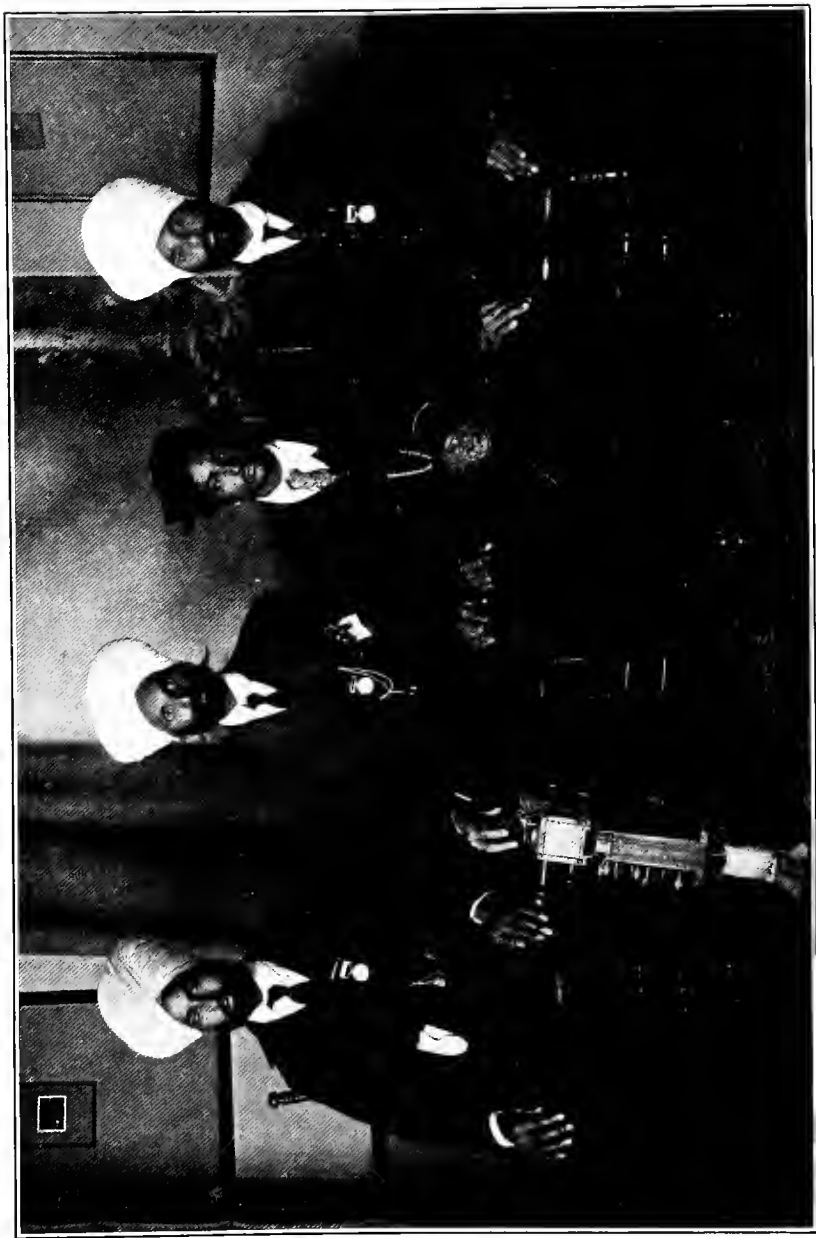


THIS LABOR RECEIVES ABOUT \$1.25 PER DAY IN BRITISH COLUMBIA.
(In the State of Washington similar labor receives about \$3 per day.)



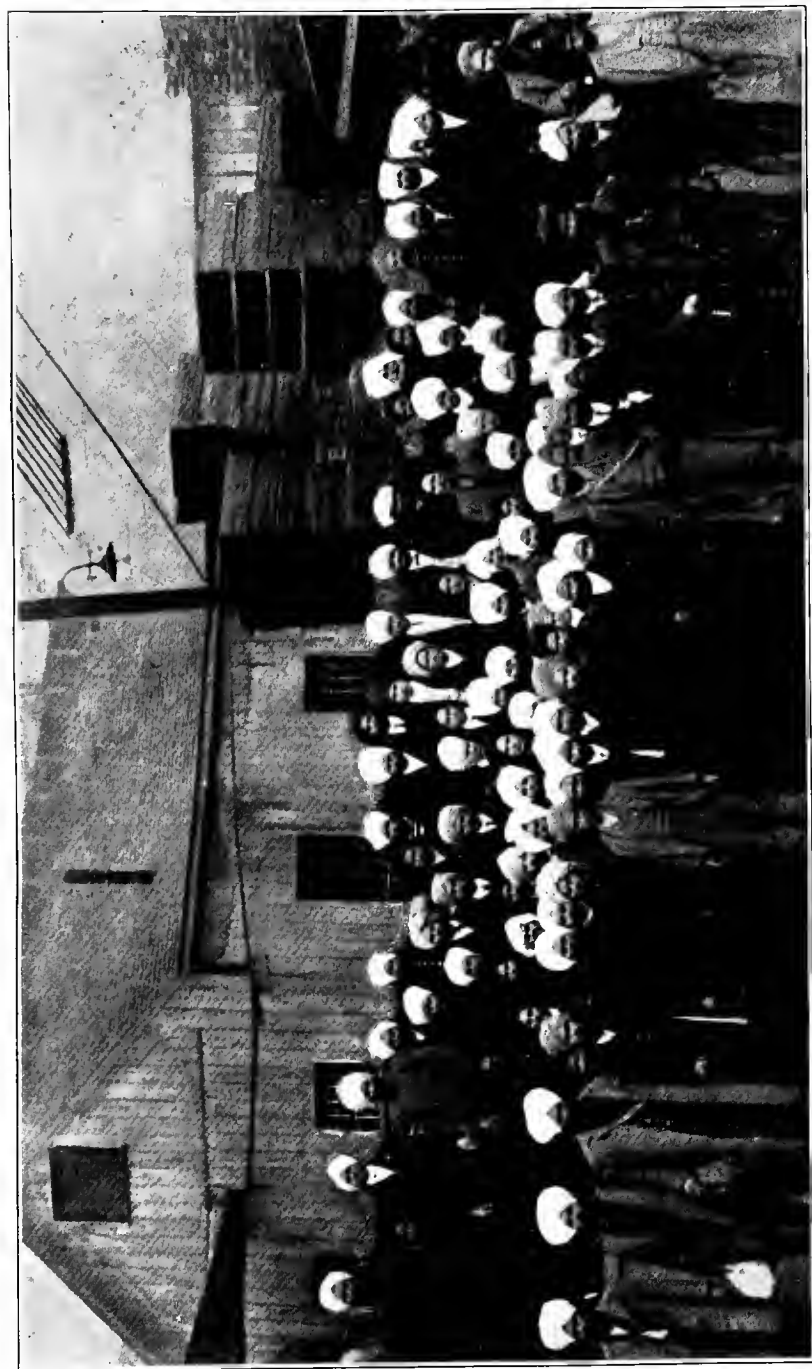
HASTINGS SHINGLE MANUFACTURING COMPANY, BELLINGHAM, WASH. A SMALL SHINGLE MILL. ALL WHITE MEN.

Wages, \$2.50 to \$4 per day. Expert wages, \$4 to \$7 per day.

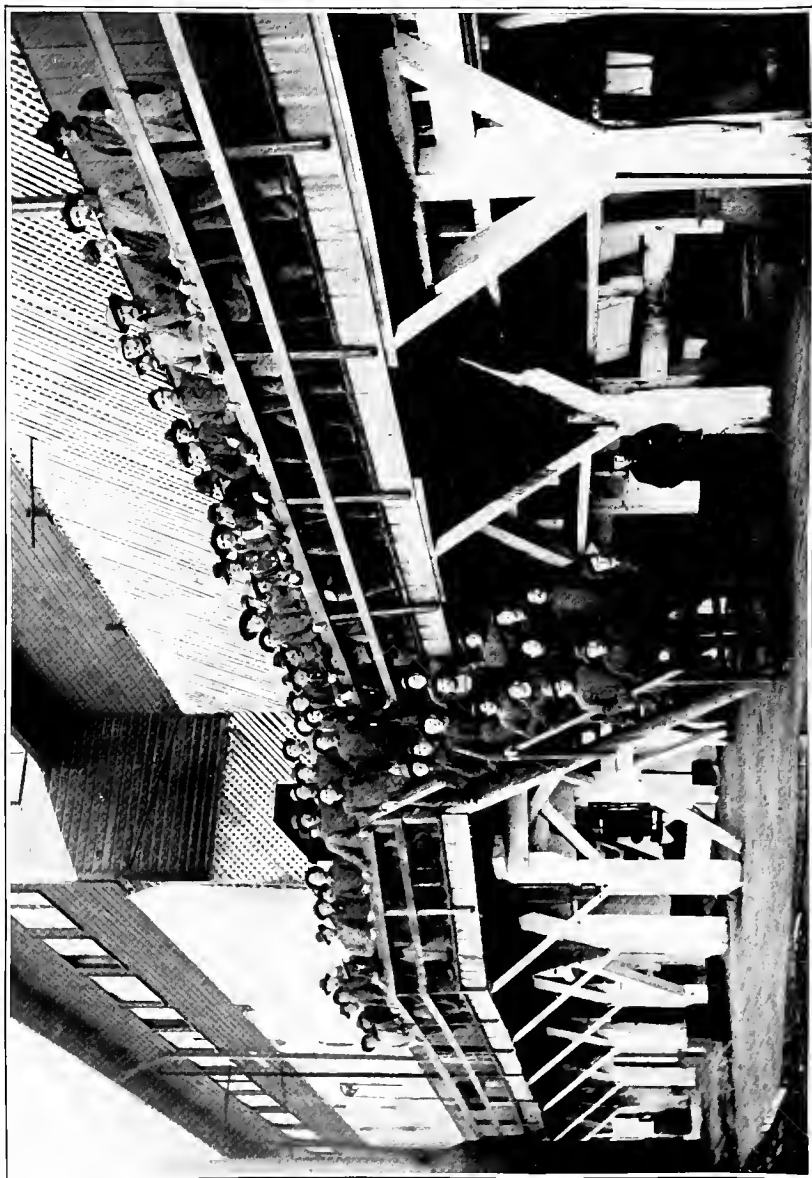


A GROUP OF HINDOOS IN THEIR HOUR OF LEISURE IN BRITISH COLUMBIA.

Wages, 80 cents to \$1.25 per day.



PART OF FRASER RIVER LUMBER COMPANY PLANT AND CREW, SHOWING HINDOO LABOR, NEW WESTMINSTER, BRITISH COLUMBIA.



TYPICAL AMERICAN SAWMILL SCENE AT GRAYS HARBOR COMMERCIAL COMPANY, COSMOPOLIS, WASH.



SHINGLE MILL CREW. DAY LUMBER COMPANY, BIG LAKE, WASH.

years' residence in the State of Washington I have become familiar with sawmilling operations; further, that for many years I have practiced the art of photography; that I went to British Columbia in the early part of November, A. D. 1908, to make a series of photographs designed to be used in connection with a large number of photographs already secured, all to be converted into lantern slides for the purpose of an illustrated public lecture; that I carefully investigated a large number of mills in British Columbia, and that the accompanying photographs are a true and faithful representation of conditions as they existed at that time; further, that the wages noted under the different photographs are those stated by employers to be the prevailing wages in both the State of Washington and British Columbia.

[SEAL.]

(Signed)

J. WAYLAND CLARK.

Subscribed and sworn to before me this 13th day of November, A. D. 1908.

HARRY D. SIMS,

*Notary Public in and for the
State of Washington, residing at Bellingham.*

STATE OF WASHINGTON, *County of Whatcom, ss:*

I, Frank L. Housley, a resident of the city of Bellingham, State of Washington, being first duly sworn, do depose and say as follows: That I am a lumberman of about twenty years' experience, that I have been engaged in logging enterprises in the State of Washington, also in estimating timber and kindred lumbering enterprises during this period, and am familiar with the operations of mills and camps in the State of Washington, Oregon, and British Columbia.

Further, that on the 10th day of November, 1908, I went to British Columbia from Bellingham, Wash., for the purpose of investigating the labor conditions in the milling districts of New Westminster and Vancouver, British Columbia. I visited in the city of New Westminster, British Columbia, 4 sawmills and 3 shingle mills which are a representative type of the mills in that city. I visited in the city of Vancouver 3 sawmills and 5 shingle mills which are representative of all the mills in the latter city. I find that there is a great preponderance of oriental labor over white labor, the result of my investigation being as follows:

Royal City Mills, New Westminster, British Columbia.—Capacity, from 80,000 to 100,000 feet of lumber per day of ten hours. This mill has probably 200 men in its employ. I actually counted 54 men in the mill yard, of whom 5 were white men, 9 were Japanese, 5 were Hindoos, and 35 were Chinese. The wages paid at this mill for the oriental labor is from \$1.20 to \$1.50 per day for Japanese, 80 cents to \$1 per day for Hindoos, and 80 cents to \$1.10 per day for Chinese.

Small & Bucklin Sawmill, New Westminster, British Columbia.—Capacity, 70,000 feet per day of ten hours; number of men employed, from 125 to 130, of whom 10 were white and 115 were Japanese and Hindoos. The wages paid for Hindoos are from 80 cents to \$1.25 per day; Chinese labor gets from 80 cents to \$1 per day; and Japanese labor gets as high as \$2.50 per day. I actually counted 28 men

on the floor of the mill, of whom 5 were whites, 18 Japanese, and 5 Chinese. On the outside of the mill taking the lumber away were 10 Japanese, 1 white man, and 3 Hindoos.

Brunett Sawmills, New Westminster, British Columbia.—Capacity, 100,000 to 125,000 feet of lumber per day of ten hours. This company employs about 200 men about the premises, of whom about one-fourth are white and the balance are Japanese and Chinese. No Hindoos are employed here. I actually counted on the floor of this mill 28 men, of whom 21 were Japanese and 7 whites. In the yard I counted 23 men, of whom 21 were Japanese and 2 were white. The wages of the Japanese are from \$1.25 to \$1.50 per day and the Chinese from 80 cents to \$1.10 per day.

Fraser River Mills, New Westminster, British Columbia.—Capacity, about 300,000 feet per day of ten hours. This company has about 375 employees, but I was unable to make an accurate count. The foreman, however, told me that there were 20 foreigners to 1 white man employed in the plant. At this rate there would be, approximately, 20 whites and 355 Hindoos, Japanese, and Chinese. By referring to pictures Nos. 3 and 5 the reader will note the number of Hindoos at the pay window. I actually counted at work on the floor of this mill 36 men, of whom 4 were whites, 24 were Hindoos, and 8 were Japanese. The wages paid at this mill are from 80 cents to \$1 per day for Hindoos and from \$1.25 to \$1.50 per day for Japanese, and for Chinese, from 80 cents to \$1.10 per day.

I also visited the following straight shingle mills at New Westminster, British Columbia. These mills manufacture cedar shingles only, as a rule, and are small, employing from 10 to 40 men each:

Royal City Shingle and Saw Mill, New Westminster, British Columbia.—This mill was not operating its shingle machines, of which there were seven in number, but were sawing up cedar logs. I counted 12 men in their employ, of whom 3 were whites, comprising the sawyer, engineer, and filer, these 3 being expert laborers; 5 were Chinese and 4 Japanese. When this mill is running full force they will employ a total of 28 men, and their force will consist of 3 whites, 21 Chinamen, and 4 Japanese. This was told me by the sawyer of the mill.

Turner Mill Company, New Westminster, British Columbia.—Mr. A. S. Hooker informed me that he was formerly a resident of Bellingham, Wash.; that he had formerly been in the shingle manufacturing business in and about Bellingham; that labor conditions in British Columbia were very much cheaper than on the American side, some 40 miles south; that he had contracted the cut of shingles in the Turner mill to a boss Chinaman at 19 cents per 1,000 shingles manufactured complete and delivered in the kilns on trucks; that for similar work on the American side from 40 to 45 cents per 1,000 shingles is paid; that his total cost of manufacturing shingles, including all expenses, was not to exceed 45 cents, whereas on the American side, on account of the higher priced labor, it was from 80 to 85 cents per 1,000 shingles. Mr. Hooker told me that with the cheap oriental labor in the shingle mills in British Columbia, as against the high-priced white labor as employed in Bellingham, caused him to abandon the shingle mills in Bellingham and go to British Columbia, as he could better afford to pay the duty of 30

cents per 1,000 shingles and manufacture in British Columbia with the cheaper labor.

I next visited the mills in and about Vancouver, British Columbia. Among the sawmills the most prominent are the following:

Royal City Mills, False Creek.—The capacity of this mill is about 125,000 feet per day of ten hours. They employ between 225 and 300 men, approximately seven-eighths of whom are orientals and one-eighth whites. I was able to count the entire number of employees by actual count of the men on the sawmill floor, of whom there were 28. Of these, 3 were white men, 1 Chinaman, 1 Hindoo, and 23 Japanese. I also counted 34 men in the mill yard, of whom 2 were white, 12 Hindoos, and 20 Japanese. The wages were the same as wages for similar work paid orientals in other mills of the same company in New Westminster and Vancouver.

Terminal Mill and Lumber Company, Vancouver, British Columbia, is a mill of from 50,000 to 75,000 feet capacity in ten hours, showing a total of 27 men on the mill floor. I counted 3 Hindoos, 5 Chinamen, 17 Japanese, and 2 white men. The wages paid at this plant were approximately the same as paid at other plants in Vancouver.

E. H. Heaps & Co. Sawmills, Vancouver, British Columbia, has a capacity of about 60,000 feet per day of ten hours. About 100 men employed, of whom 12 are whites and the balance orientals. I personally counted 33 men in the mill, of whom only 4 were white and the balance Japanese and Hindoos. The wages paid at this plant were approximately the same as in other plants in Vancouver.

Hastings Mill No. 1, being one of a number of mills owned by the British Columbia Mills, Timber and Trading Company, is a mill of about 250,000 feet capacity in ten hours. The total number of men approximate 300, of whom probably less than 50 are whites and 250 orientals, mostly Japanese and Chinese. I actually counted 62 men on the mill floor, 12 of which were white men and 50 Chinese. I also counted 40 men in the mill yard, of whom 5 were white men and 35 Japanese. The wages paid for Chinese are from 80 cents to \$1.10 a day, for Japanese from \$1 to \$1.50 per day, and for Hindoos from 80 cents to \$1 per day.

I visited four straight shingle mills in Vancouver which employ from 12 to 40 men each and manufacture cedar shingles only.

The Pacific Coast Shingle Mills have a capacity of about 240,000 shingles per day of ten hours, when running to full capacity. They were running all of their machines and employing approximately 40 men. Of these 13 were whites and 27 orientals. They were employing Chinese shingle packers whom they paid 6½ cents per thousand and Chinese sawyers whom they paid 12 cents per thousand. This is called piecework. On the American side they pay 9 cents per thousand for packing and 18 and 19 cents per thousand for sawing them.

The McNair Shingle Mill operates three uprights of a capacity of 60,000 shingles per day and employs 12 men. This is one of the small mills of which there are some 300 of a similar type in the State of Washington. They employ, all told, 12 men in the mill, of whom 8 are Chinamen, 2 Japanese, and 2 white men. The only reason they employ the white men is on account of the necessity for expert labor such as saw filing and engineer. The wages of Chinese sawyers were 11 cents per thousand and Chinese packers 6 cents per thousand. Japanese day labor got from \$1.25 to \$2 per day.

Hastings Mill No. 2.—This is a large shingle mill, operating when running to full capacity 27 shingle machines, with a total shingle capacity of 550,000 shingles in ten hours, of which 17 machines only were running at this time. This mill employs proportionately more white labor than any of the other shingle mills in British Columbia. I counted on the mill floor 15 white men and in the packing room 2 white men. I counted 5 Chinamen on the mill floor and 17 Chinese packers in the packing room. There were also some Hindoos and Japanese. The wages paid the sawyers are 13 cents per thousand shingles and 6 cents for packing.

The Wood & Spicer Shingle Mill, Vancouver, has a capacity of about 300,000 shingles in ten hours and operates 11 shingle machines. There is a total of 38 men employed. Twenty-four are Chinese, 2 white men, and the balance are Japanese and Hindoos. The 2 white men are the filer and the engineer, being expert labor. The wages paid at this mill are 14 cents for sawing and 6½ to 7 cents for packing.

I further depose and state that I am familiar with manufacturing conditions on the American side in the State of Washington, and especially in the vicinity of Bellingham; that I have carefully examined the photographs hereto attached and made a part of this statement, and that they are a true and faithful representation of the mills and employees employed therein; that, to my knowledge and belief, there are no Hindoos or Chinese employed in and about the vicinity mentioned, and few, if any, Japanese. Out of the 5 large sawmills in the city of Bellingham there are employed approximately 1,200 men, of whom all are white men; that the wages paid in the mills in the State of Washington vary from \$2 for common labor to \$4 for skilled labor and from \$4 to \$10 per day for expert labor, such as saw filing.

F. L. HOUSLEY.

Subscribed and sworn to before me this 13th day of November, 1908.

[SEAL.]

HARRY D. SIMS,

*Notary Public in and for the
State of Washington, residing at Bellingham.*

STATE OF WASHINGTON, *County of Whatcom, ss:*

I, J. H. Bloedel, a resident of the city of Bellingham and State of Washington, being first duly sworn, do depose and say as follows: That I am a lumberman of about fifteen years' experience in and about the timbers of Puget Sound and British Columbia; that I am familiar with the situation in the State of Washington as regards the manufacture of lumber and shingles and also with the general timber and lumber manufacturing situation in the Province of British Columbia, which is situated about 20 miles north of the city of Bellingham, State of Washington; that timber lands in the State of Washington are held by title in fee simple, and that the values of stumpage are from \$1.50 to \$3 per 1,000 feet, according to location; that for similar conditions in British Columbia, where titles are held by the government and timber areas leased to leaseholders, values are 50 cents per 1,000 feet stumpage. The stumpage paid by lessees of timber limits in British Columbia is based on the scale of a so-called "government scaler" and is payable when the

timber is cut, the government thereby assuming all hazards of the destruction of the timber by fire or other natural causes. In the State of Washington the owner of the timber land has to assume and carry this risk.

The wages paid in the mills in the State of Washington approximate \$2 per day for common labor and from that to \$4 per day for skilled labor; the wages paid the Orientals employed in the mills of British Columbia are, approximately, one-half this rate. I have a record of the average wages per day paid some 400 employees of the Larson Lumber Company, of which I am the manager and one of the owners, which is as follows for the respective years mentioned:

Average rate per day per man.

1902	-----	\$2. 45
1903	-----	2. 70
1904	-----	2. 33
1905	-----	2. 71
1906	-----	2. 69
1907	-----	2. 99

and that the disparity in wages between the State of Washington and British Columbia is protected and accomplished by the duty on lumber and shingles, and can only be maintained by the retention of said duty; that the moment this protective duty is either reduced or entirely removed the condition of the laboring men in the American mills must become that of the foreign laborers in British Columbia or the cessation of the lumbering enterprises in the State of Washington and the removal of the plants to British Columbia, where the cheaper labor can be employed and the cheaper stumpage secured.

That I am familiar in a general way with what is called the mountain districts of British Columbia, lying between Revelstoke, British Columbia, and the Crows Nest Pass; that there is a large lumber-producing district which lies some 500 miles nearer the prairie States than the coast, with a consequently lower freight rate. The removal of the tariff on lumber is likely to flood the prairie States with the lumber from this section, produced by cheaper oriental labor, to the detriment of the American manufacturer, located in the States of Idaho and eastern Montana and the Pacific coast of the State of Washington.

That there is a coast line bordering on salt water of many thousands of miles, all of which is safe inland waters for the handling and towing of logs, and all of which is a timber-producing section as yet entirely virgin and undisturbed; that the only protection afforded the manufacturer in the States of Washington, Oregon, California, Idaho, and Montana, as against this vast quantity of cheap timber, is the duty of \$2 per 1,000 feet on lumber and 30 cents per 1,000 on shingles.

J. H. BLOEDEL.

Subscribed and sworn to before me this 13th day of November, 1908.

[SEAL.]

HARRY D. SIMS,
A Notary Public in and for the State of Washington,
Residing in the City of Bellingham.

EXHIBIT B.

VANCOUVER, B. C., November 14, 1908.

Mr. M. T. CLARK,
Hotel Vancouver, City.

DEAR SIR: As per your request, I am sending you a scale of wages as paid in the logging camps, also wages paid in the shingle mills, and also that of the sawmills in this vicinity.

You will have noticed that I have made no mention of oriental labor, but should you wish to employ Orientals, I can supply them for you on a much lower wage scale—that is, common laborers—and they are used in the mills here in considerable numbers, as you might have noticed.

Hindus can be had for \$1 per day, board themselves.

Japanese can be obtained, and seems to be the Oriental that seems to give the best satisfaction in the mills, as they are more intelligent and can be used in places where some skill is required, at wages \$1.25 per day, board themselves. Chinese are good shingle packers, and seem to have a standard wage at packing—7 cents per thousand—and I do not think that they could be obtained at a less figure for that class of work. Common laborers command the same wages as the Japanese, in some cases a shade higher. Hoping that you will favor our firm with your patronage and hoping to hear from you again in the near future, believe me to remain,

Yours, faithfully,

THE RELIABLE LABOR AGENCY,
 Per C. W. KNIGHT, *Manager.*

Scale of wages paid in shingle mills:

Foreman filer	-----	\$4.00
Shingle sawyers	----- per M	\$0.13 to .16
Shingle bolters	----- per day	2.25
Shingle packers	----- per M	\$0.07 to .09

Scale of wages in sawmills:

Head sawyer	----- per day	4.00
Filer	----- do	4.00
Gang sawyer	----- do	3.00
Resawyer	----- do	2.75
Setter	----- do	2.75
Edger man	----- do	3.00
Dogger man	----- do	2.25
Cut-off man	----- do	2.00
Trimmer	----- do	2.25
Millwrights	----- do	3.50
Blacksmith	----- do	3.00
Machinist	----- do	3.00
Engineer (first)	----- do	3.50
Engineer (second)	----- do	2.50
Firemen	----- do	2.00
Lumber grader	----- do	2.25
Tally man	----- do	2.25
Planer man (foreman)	----- do	3.75
Sticker man	----- do	3.00
Timber planer man	----- do	2.75
Planer feeders	----- do	2.00

Common mill laborers and truckers (white) from \$1.75 to \$2 per day.

EXHIBIT C.

AFFIDAVITS.

STATE OF WASHINGTON, *County of King*, ss:

F. D. Becker, being by me first duly sworn, upon his oath deposes and says that he is a resident of the city of Seattle, King County, Wash., and that he is over the age of 21 years; that he is the acting secretary of the Pacific Coast Shippers' Association, of Seattle, Wash.; and that he is familiar with the manufacturing and sale of lumber and forest products of every description.

This affiant deposes and says that during the years 1905, 1906, and 1907 he was engaged in the lumber business in British Columbia and Alberta; that during the year 1905 he was manager of the Otis-Staples Lumber Company, at Wycliffe, near Nelson, British Columbia; that he had charge of the plant of said lumber company and was familiar with the character and nationality of the men employed under him in the management of said lumber company; that there were regularly employed by said lumber company in and about its plant at Wycliffe during the year 1905 about 80 men, and of this number about 50 were Chinamen; that the average wages paid the Chinese employed at said plant was the sum of about \$1.60 per day per man, and that the average price paid to the white labor at said lumber company's plant was about \$2.50 per day per man. This affiant was instructed to employ Chinamen in all positions where it was found possible they could be advantageously employed, and the positions that Chinamen occupied were such as piling lumber, working in the mill, cooks, helpers, and about 90 per cent of the men in the planing mill were Chinamen.

That during the year 1906 this affiant was secretary, treasurer, and managing director of Staples & Co. (Limited), wholesale and retail lumber dealers at Wycliffe, British Columbia, and affiant knows of his own knowledge that all of the lumber, sawmill, and planing mill plants in British Columbia employed a large portion of Chinese and Japanese help, and that in every instance the Chinese help was paid from 50 to 75 cents less per day than was paid for white help in similar positions.

That during the year 1907 this affiant was secretary, treasurer, and manager of the Monarch Lumber Company, at Savonas, near Kamloops, British Columbia; that at the plant of the Monarch Lumber Company there were employed about 60 men, and of this number about 40 were Chinamen and Japanese; that the Chinamen were placed in all positions where it was possible to employ them, and they took the places of white help in such positions as lumber graders and trimmers in the mill, considered very important positions, and this affiant discovered that the Chinamen could be educated to a proficiency practically equal to white help in almost all ordinary positions in the mill plant; that about 90 per cent of the men employed in the planing mill of the Monarch Lumber Company were Chinese and Japanese, and they invariably received from 50 to 75 cents less per day than the white help occupying similar positions.

This affiant is familiar with the lumber manufacturing business in the States of Washington, Oregon, and Idaho, and this affiant knows of his own knowledge that the various lumber manufacturing plants

in said States almost exclusively employ white labor, and that the wages paid for labor in the mills of the States of Washington, Oregon, and Idaho are on an average of 30 per cent higher than the wages paid in the lumber mills in British Columbia; that by reason of employment of Chinese and Japanese labor in the mills of British Columbia the cost of the manufacture of finished lumber is fully 30 per cent, or from \$1 to \$2 per thousand, less than the cost for the production of the same kind and grade of lumber in the States of Washington, Oregon, and Idaho.

That this affiant believes and alleges that if the tariff levied by the United States is removed or materially reduced on imports of lumber and forest products that it will result in the introduction of cheap Asiatic labor into all the mills and plants engaged in the manufacturing of lumber and allied products in the north Pacific coast States of the United States, or the result of such lowering or abolishing of the present tariff rates will result in the practical destruction of the lumber industry in said above-mentioned three States, which lumber industry in said States now represents 60 per cent or more of the capital engaged in and business done in said States, and further affiant saith not.

F. D. BECKER.

Subscribed and sworn to by me this 12th day of November, A. D. 1908.

[SEAL.]

E. J. BRANDT,
*Notary Public in and for the State of Washington,
residing at Seattle.*

EXHIBIT D.

TUOLUMNE, CAL., *November 13, 1908.*

MR. D. E. SKINNER,
New Willard Hotel, Washington, D. C.

DEAR SIR: In response to a request from Mr. G. X. Wendling, under date of November 10, we are submitting herewith a copy of a letter from the acting forest supervisor of the Stanislaus National Forest to us, concerning an application made by us for the purchase of timber.

We also inclose our affidavit as to the price asked for this timber. Their proposition was dated July 17, 1908, and was rejected by us. Trusting that the information will be of value to you, we are,

Yours, truly,

WEST SIDE LUMBER COMPANY,
By J. R. PRINCE, *Secretary.*

UNITED STATES DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
STANISLAUS NATIONAL FOREST,
Sonora, Cal., July 30, 1908.

The WEST SIDE LUMBER COMPANY,
Tuolumne, Cal.

DEAR SIR: I am inclosing original and duplicate of timber-sale application, which covers the timber you applied to purchase from the

Forest Service in the spring of this year. In case you wish to apply for this timber, you will please sign the original and duplicate of this application and return it to this office. In case you do not wish to carry this matter further, will you please return these papers?

I understand that Mr. Flintham made you an informal agreement to the effect that he would reduce the price on this timber providing that you would cooperate with the Forest Service in clearing up your cut-over lands. This proposition can no longer be considered, because the State forest department has now taken up the question of clearing up your cut-over area, so the prices under which this timber is offered for sale are those which are current this year for timber sold by the Forest Service.

Very sincerely,

ROBERT W. AYRES,
Acting Forest Supervisor.

STATE OF CALIFORNIA, *County of Tuolumne, ss:*

The undersigned, officers of the West Side Lumber Company, depose and say: That under date of July 17, 1908, the acting forest supervisor of the Stanislaus National Forest submitted a proposition to the West Side Lumber Company for the sale to it of certain sugar and white pine timber. The price named in said proposition was \$5 per thousand feet, board measure, for sugar pine and \$3.5 per thousand feet for white pine.

GEO. JOHNSON,
Vice-President.
J. R. PRINCE,
Secretary.

Subscribed and sworn to before me this 13th day of November, 1908.

[L. S.]

JOHN BATES,
Notary Public in and for Tuolumne County, Cal.

EXHIBIT E.

AFFIDAVIT OF RICHARD W. DOUGLAS, SEATTLE, WASH.

STATE OF WASHINGTON, *County of King, ss:*

I, Richard W. Douglas, being first duly sworn, depose and say that I am the Richard W. Douglas named in various places in the hereunto-attached reports, the pages of which are numbered consecutively from 1 to 9; that I have read the same, know the contents thereof, and believe the statements therein contained to be true.

RICHARD W. DOUGLAS.

Subscribed and sworn to before me this 17th day of November, 1908.

[SEAL.]

S. M. BRACKETT,
Notary Public for King County, Wash., residing at Seattle.

I, Richard W. Douglas, of Seattle, Wash., U. S. A., did, on Wednesday, Thursday, and Friday, November 11, 12, and 13, 1908, visit and personally inspect the shingle-manufacturing plants of the Pacific Coast Mills (Limited), the Hastings Shingle Manufacturing Com-

pany, A. Cotton, Joseph Chew, the Imperial Shingle Company, all of Vancouver, British Columbia, and I did also visit and personally inspect the two shingle-manufacturing plants of Thomas Kirkpatrick and the shingle manufacturing plant of the Canada Shingle Company, located at Cedar Cove, British Columbia, Canada.

As a result of my personal investigation and inspection, I found that the number and kinds of workmen engaged in and about the plants of the above-named eight concerns were as follows:

	Japanese and Chinese.	Hindoos.	Whites.	Total.
Boom men.....	3	5		8
Bolt passers.....	1	3		4
Cut-off men.....	15	2		17
Block piers.....	6	9	^a 1	16
Upright sawyers.....	26		26	52
Hand sawyers.....			1	1
Clipper men.....	8			8
Refuse movers.....		16		16
Packers.....	56			56
Band nailers and bundle passers.....	7		^a 1	8
Car loaders.....	10	7	4	21
Filers.....			8	8
Superintendent.....			2	2
Kiln and yard foremen.....			1	1
Total.....	132	42	44	218

^a Boy.

From these figures it will be seen that the percentage of white, compared with the percentage of oriental employees engaged, was as follows: White workmen, 20 per cent; oriental workmen, 80 per cent.

I, Richard W. Douglas, of Seattle, Wash., United States of America, did on Wednesday, November 11, 1908, visit and personally inspect the shingle-manufacturing plant of the Pacific Coast Lumber Mills (Limited), of Vancouver, British Columbia.

As a result of my personal inspection and investigation I found conditions in the plant hereinabove referred to be as follows: Number of upright shingle machines installed and in operation in this plant, 11; also 1 hand shingle machine.

The number and kind of workmen engaged in and about the plant of the above-named concern were as follows:

	Japanese and Chinese.	Hindoos.	Whites.	Total.
Boom men.....	1			1
Bolt passers.....	1			1
Cut-off men.....	2			2
Block piers.....	1	2	^a 1	4
Upright sawyers.....	4		7	11
Hand sawyers.....			1	1
Clipper men.....	2			2
Refuse movers.....		2		2
Packers.....	11			11
Band nailers and bundle passers.....	1			1
Car loaders.....	4			4
Filers.....			2	2
Superintendent.....			1	1
Total.....	27	4	12	43

^a Boy.

From these figures it will be seen that the percentage of white compared with the percentage of oriental employees engaged was as follows: White workmen, 28 per cent; oriental workmen, 72 per cent.

The upright sawyers were receiving 13 cents per thousand of shingles cut, the packers 7 cents per thousand of shingles cut; common laborers were receiving \$1 per day—a few \$1.25 per day.

FOREST CONSERVATION.

The problem of the perpetuation of our forests and the future supply of timber in the United States is very largely and almost entirely a financial one. It is neither an academic theory nor an abstruse question in political economy. It is essentially nonpolitical. Foreign competition would only aggravate an already complex situation.

The splendid stand taken by President Roosevelt regarding the conservation of our forests and the necessity for conserving our natural timber resources has the heartiest and most unqualified support and indorsement of American lumbermen.

In order to economically and judiciously harvest the timber, the lumber manufacturer and timber owner must receive a fair price for the entire product of the tree or he will be compelled to only harvest about 60 per cent of the best timber in the woods, which he is now doing, and leave 40 per cent to be wasted, and in most cases to be destroyed by fires, which almost inevitably follow logging operations.

In order to demonstrate the force of this argument that the element of price received from the product of the forest absolutely determines the utilization of the contents of the tree to its minimum or maximum, it will only be necessary to cite one example, which is typical of Pacific coast logging methods.

A leading Columbia River logging firm, which sell their logs principally to the Portland (Oreg.) mills, made up from their own books the following almost startling figures of the terrific waste which now menaces our Pacific coast forests:

Example 1.

Cut to January 1, 1906.....	feet.....	97, 808, 825
Estimates of the amount of timber actually on the ground, but not removed on account of the low ruling price for lumber.....	feet.....	41, 671, 175
Average selling price of logs.....		\$6. 71

Example 2.

Cut to January 1, 1907.....	feet.....	165, 852, 000
Estimates of the amount of timber actually on the ground, but not removed on account of the low ruling price for lumber.....	feet.....	25, 482, 000
Average selling price of logs.....		\$9. 41

Example 3.

Cut to January 1, 1908.....	feet.....	230, 477, 003
Estimates of the amount of timber actually on the ground, but not removed on account of the low ruling price for lumber.....	feet.....	18, 826, 997
Average selling price of logs.....		\$9. 87

Reasonable profit an essential factor in economical logging.

The photographs Nos. 1 and 2, taken on the lands of the Booth-Kelly Lumber Company, of Eugene, Oreg., are offered for the purpose of illustrating more clearly the figures which have been submitted showing the very necessary and close relationship which the prices of lumber bear to the conservation of the forests, as illustrated by the manner of logging.

By examining photograph marked No. 1, we find that the land has been practically swept bare of its timber. The logs were removed from the lands during the winter of 1906 and spring of 1907, when the lumber trade of the United States had reached the highest point for many years.

Photograph No. 2 indicates the system of logging in vogue during the winters of 1907-8, when the great lumber industry of the Pacific coast was prostrated and paralyzed by the agitation and imposition of the railroads of a 25 per cent higher freight rate to the Middle and Eastern States of the United States than had been formerly in force. The owners of these timber lands in common with hundreds of other operators found that the common grades of lumber, which constitute 75 per cent of the tree, could not be marketed on the freight rate and compete as formerly with similar common grades located nearer the base of consumption. The mills had to be operated. Fixed charges had to be met. A greater proportion of higher grades had to be shipped. The forests, as you will observe, were simply "gutted." History has proven that fire will inevitably sweep the remainder of this timber.

The illustrations show the necessity and wisdom of maintaining the duty on lumber in the vital matter of forest conservation through economical logging methods.

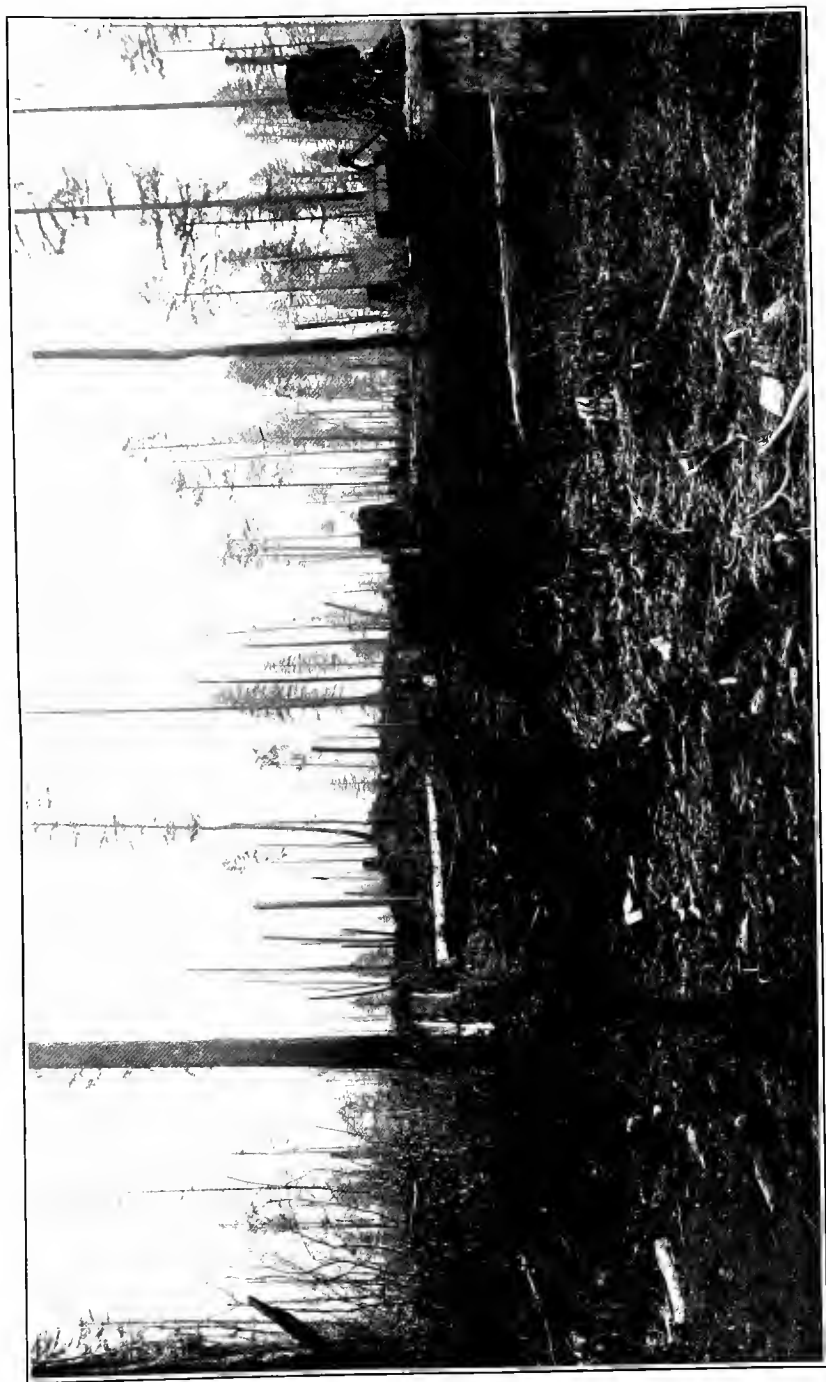
When the manufacturer receives a fair price for his product he is not only able to pay his workmen the highest wages but retain the American market for ourselves as well.

This is a most happy example of the blending of the benefits of a protective tariff and the wise and beneficent results which flow from intelligent and cooperative conservation. The benefits of protection are mutual and reciprocal.

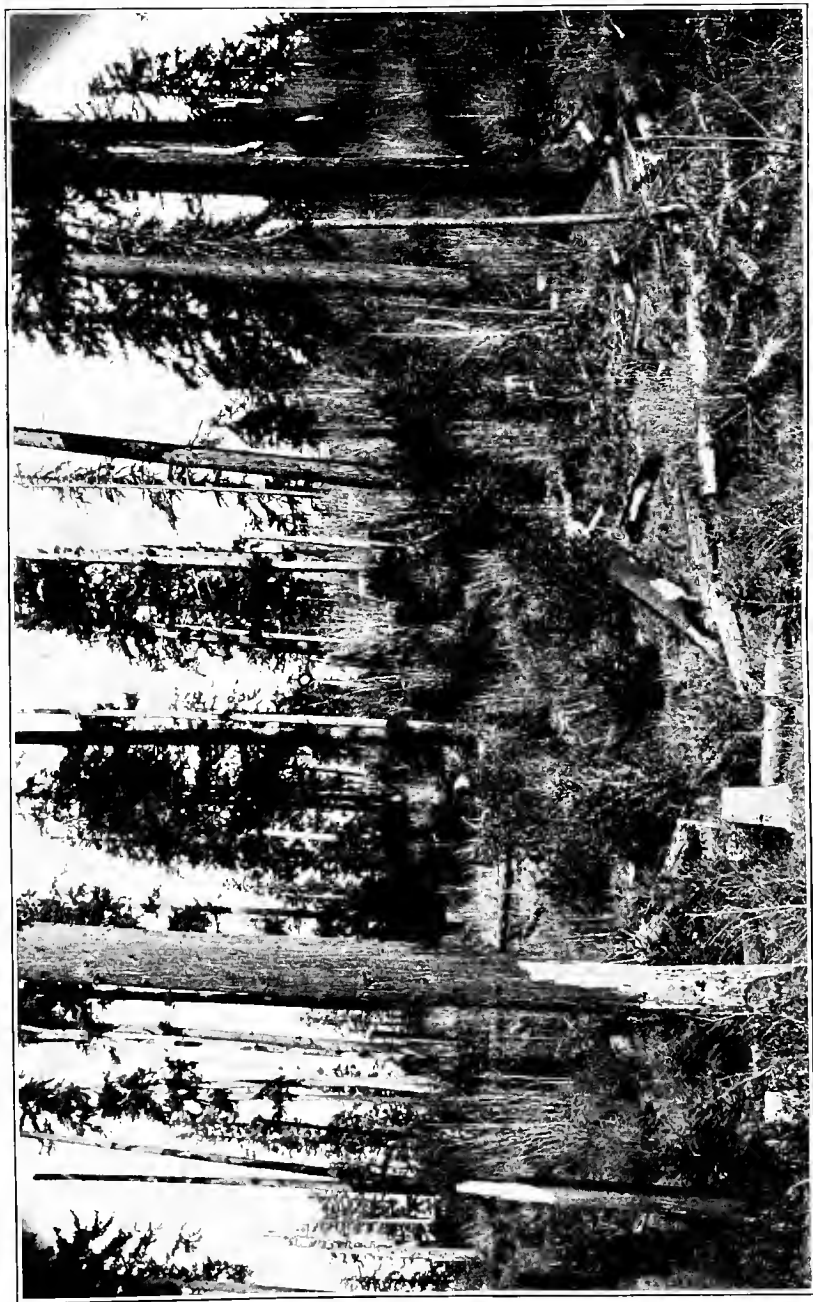
Growing timber as a business by the Government.

The removal of the duty on Canadian lumber will not aid us to grow a single tree. It will only hasten the destruction of our forests through enforced competition with timber from other countries.

Let Congress pass a law permitting the Government to have the right to condemn for national forest conservation purposes all lands from which the timber has been removed, at a nominal figure. The character of the land where the bulk of the timber growing in the United States is found consists of a rough, broken country, fit for only two things, the growth of timber and grass. The Government could lease the lands which are acquired for reforestation for grazing purposes in the West at, say, 5 cents an acre per year. The rental from these lands at 5 cents per acre would equal the interest on the outstanding bonds issued to purchase the lands at, say, \$2.50 per acre.



LOGS CUT AND LOGGED IN 1906 AND SPRING OF 1907.



CUT IN WINTER OF 1907 AND 1908.

The Government could, in this manner, finance a reforestation project of this kind without loss to itself, while the trees were growing. We should not sit idly down here and raise a hue and cry about the depletion of the forests without working out some practical plan for replenishment.

Diversity of interest makes lumber combinations impossible.

Combinations or trusts are only possible where the raw material entering into an article can be controlled. In the case of the lumber business of the United States this is an impossibility, for the sufficient reason that the number of firms, corporations, and individuals engaged in the manufacture of lumber aggregated, according to the last census, in excess of 43,000, and the number of sawmills aggregated 28,850. Just stop and analyze for a moment the utter absurdity of attempting to bring into anything like a combination 43,000 men, representing 28,500 different mills. The average man who has ever tried to get even his neighbor in the same line of trade to act with him in any legitimate form of policy or respect fair trade ethics will realize at once the weakness of this statement regarding combinations among lumbermen. So much for the producer of lumber.

When it comes to the ownership of the raw material or stumpage from which the sawmill man must depend upon for the conduct of his business, it would be a fair statement to assume that there are at least six independent owners of timber to every sawmill in operation. All classes of people comprise this ownership.

The extent of their holdings are as varied as their number. Take on the Pacific coast, for instance, every farmer in the timbered region owns more or less timber, which he sells to the country sawmill which settles near him.

The titles to the timber holdings of this country are held by all classes of people. To assume that the ownership of the stumpage of the entire United States is held by only certain few individuals devoted to one industry is puerile. As well say that every man who buys stocks is necessarily engaged in the iron business.

Men in any given line of business have a common interest. It does not imply that their interests are antagonistic to the general policy of the country as a whole, or it would fail. This principle is so elementary in political economy that it needs no further discussion, and the great lumber business of the United States, with its ramifications in every nook and corner of this land, is no exception to the rule.

Lumber, constituting a necessarily important function in civilized life, is, however, one of the first industries to be affected by the general adverse conditions of trade and the slowest to recover from a slump. People do not have to build new houses, barns, or fences or make improvements involving lumber in hard times. Lumber is not like flour or any other article which is absolutely essential at whatever stage the commercial tide may be when hard times appear.

Transportation charges.

Freight rates are a positive and controlling factor in determining and fixing the price of lumber. The freight rates from the Pacific coast to the Middle and Eastern States are as follows:

	Per 100 pounds.
Denver.....	\$0. 40
St. Paul.....	. 45
Omaha.....	. 50
Chicago.....	. 55
New York.....	. 70

In order to arrive at a fair basis as to the average weight of the different classes of lumber shipped from the Pacific coast to the Middle and Eastern States, the following sworn statement of W. C. Miles, manager Globe Lumber Company, Globe, Wash., in the suit of the western sawmills against the transcontinental railroads, heard before the Interstate Commerce Commission in December, 1907, is herewith appended:

Average shipping weights.

	Per 1,000 feet.
14½ per cent shipped, at 2,000 pounds.....	\$12. 00
6 per cent shipped, at 2,500 pounds.....	15. 00
16 per cent shipped, at 2,640 pounds.....	15. 84
15.1 per cent shipped, at 2,700 pounds.....	16. 20
48.4 per cent shipped, at 3,300 pounds.....	19. 80

In order to illustrate from the above figures just what the effect of freight charges are as compared with the price of lumber we will cite one example for illustration. To-day common, rough, barn boards are worth \$8 per thousand feet at the mill on the coast. The weight of these boards would be practically 3,000 pounds to the thousand feet. Take the rate to Omaha, for instance, of 50 cents per 100 pounds, and we find that the freight charges are \$15 per thousand feet, or an average of one and one-half times the cost of the lumber. The reduction in the tariff on Canadian lumber would not reduce the transportation costs.

The railroads have been successful in their recent suit before the Interstate Commerce Commission in advancing their rates to Minneapolis and Chicago 5 cents per 100 pounds, which is equal to an advance of \$1.50 per thousand feet to the consumer.

Another illustration: A recent shipment of lumber from Portland, Oreg., to Goldfield, Nev., a distance of 1,070 miles, where the rate is 80 cents per 100 pounds, showed by the expense bill that the railroad received \$365.56 for freight charges and the Sunset Lumber Company, of Portland, Oreg., the manufacturer, received \$161 for the lumber.

The reasons for citing the Pacific coast transportation charges on lumber to the consumers of the Middle and Central States are:

1. The Pacific coast rates are the highest to any point of consumption.
2. The existence of these great virgin forests naturally implies lower value of the product at the mill.

3. In order to compete with the forests nearer the base of consumption, with necessarily a higher stumpage value, the cost of the Pacific coast lumber must be kept down to a point where the initial cost plus the cost of transportation equals the competitive costs at other sources of supply.

Lumber small item in modern construction.

An examination of the detailed cost of four representative types of wooden construction of several buildings in Portland, Oreg., reveals the fact that the cost of the lumber in an ordinary house is a very small item as compared with plumbing and other costs.

EXHIBIT 1.—July, 1908.

Estimated cost of six-apartment building, Benton street, Portland, Oreg.:

Excavating and concrete	\$795.00
Plumbing	1,320.00
Painting	398.00
Plastering	582.00
Brickwork	158.00
Tin work	88.00
Roof	138.00
Millwork (90 per cent labor)	982.00
Hardware, paper, and nails	198.60
Insurance and permit	11.30
Cartage	8.00
Electrical work	182.00
Window and door frames	197.00
Tile work	94.00
Heating plant	1,383.00
Lumber, 48,000 feet	624.90
Carpenter work	1,872.00
Total	9,031.80

EXHIBIT 2.—August, 1907.

Estimated cost of eight-room residence, East Seventh and Broadway streets, Portland, Oreg.:

Excavating and concrete	\$420.00
Plastering and brickwork	430.00
Plumbing	470.00
Painting	235.00
Millwork (90 per cent labor)	535.00
Electrical work	65.00
Tin work	80.00
Heating plant	480.00
Hardware, paper, and nails	95.00
Permit, insurance, and cartage	16.00
Shingles, 22,000	63.80
Tile work	85.00
Window and door frames	56.00
Lumber, 28,000 feet	518.50
Carpenter work	1,015.00
Total	4,564.30

EXHIBIT 3.—*July, 1907.*

Estimated cost of four-apartment building, Larrabee street, Portland, Oreg.:

Excavating and concrete work	\$785.00
Plumbing	925.50
Painting	312.00
Plastering	395.80
Brickwork	155.00
Millwork (90 per cent labor)	698.30
Tin work	78.00
Shingles	70.00
Hardware, paper, and nails	155.00
Insurance and permit	8.00
Cartage	4.85
Window frames	155.60
Electrical work	128.00
Furnaces	460.00
Tile work	68.00
Carpenter work	1,480.00
Lumber, 41,000 feet	698.40
Total	6,577.45

EXHIBIT 4.—*March, 1908.*

Cost of two six-room houses, East Seventh and Weidler streets, Portland, Oreg.:

Excavating and concrete work	\$520.00
Plastering and brickwork	370.00
Painting	280.00
Shingles, 63,000	157.50
Electrical work	60.00
Tin work and furnaces	290.00
Hardware, paper, and nails	115.00
Plumbing	520.00
Millwork (90 per cent labor)	430.00
Insurance and permit	12.00
Cartage	6.00
Lumber, 32,000 feet	432.00
Carpenter labor	780.00
Profit	3,972.50
Total	4,372.50

Substitutes for lumber—Cement an active competitor.

The steady substitution for lumber of steel, brick, stone, tile, glass, and cement has been growing very rapidly in the United States within the past ten years.

The almost universal restriction of the construction of frame buildings in practically every city, within well-defined fire zones, is recognized by every municipal government.

From this time forward the amount of lumber used per capita in the United States will be necessarily reduced by the use of these substitutes.

The annual consumption per capita of lumber in the United States is approximately 470 feet, while in European countries the lumber consumption per capita is only 60 feet.

The controlling factors in decreasing the volume of lumber used in construction purposes may be summed up as follows:

(1) Total diminution of the world's available supply.
 (2) Increased cost of labor and supplies entering in its manufacture.

(3) Increased rail cost of transportation from forest to the consumer.

As a competitor to lumber, cement has been the most aggressive and active factor in its displacement for practically every use. The growth of the cement industry has been phenomenal, and is still growing at a marvelously rapid pace.

The Department of the Interior, United States Geological Survey, in the bulletin which it has issued on the subject of cement for 1907, says:

STATISTICS OF PRODUCTION BY STATES.

The total Portland cement production of the United States in 1907 was 48,785,390 barrels, valued at \$53,992,551, an increase over the output of 1906 of 2,321,966 barrels, or about 5 per cent, in quantity, and of \$1,526,365, or about 3 per cent, in value. The distribution of this total among the different producing States in 1907 is given in the following table. The production by States for 1906 is included for comparison:

Production of Portland cement in the United States in 1906 and 1907, by States.

1906.				1907.			
State.	Pro- ducing plants.	Quantity (barrels).	Value.	State.	Pro- ducing plants.	Quantity (barrels).	Value.
Illinois.....	4	1,858,403	\$2,461,494	Illinois.....	5	2,036,093	\$2,632,576
Indiana.....	6	3,951,836	4,964,855	Indiana.....	7	3,782,841	4,757,860
Kansas.....	4	3,020,862	3,908,708	Kansas.....	5	3,353,925	4,240,358
Michigan.....	14	3,747,525	4,814,965	Michigan.....	14	3,572,668	4,384,731
New Jersey.....	3	4,423,648	4,445,364	New Jersey.....	3	4,449,896	4,738,516
New York.....	9	2,414,362	2,725,744	New York.....	9	2,290,955	2,433,918
Ohio.....	8	1,422,901	1,709,918	Ohio.....	9	1,151,178	1,377,155
Pennsylvania.....	19	18,645,015	18,598,439	Pennsylvania.....	22	20,393,965	19,693,006
Alabama.....	1	1,172,041	1,432,023	Alabama.....	2	1,274,470	1,383,305
Georgia.....	1			Georgia.....	1		
Virginia.....	1			Virginia.....	1		
West Virginia.....	1			West Virginia.....	1		
Arizona.....	1			Arizona.....	1		
Colorado.....	1	1,146,396	2,034,382	South Dakota.....	1	534,534	915,301
South Dakota.....	1			Texas.....	2	1,893,004	2,715,398
Texas.....	2			California.....	4		
Utah.....	1	1,310,435	2,110,294	Washington.....	1		864,938	1,395,179
California.....	3			Colorado.....	1		
Washington.....	1			Utah.....	2		
Kentucky.....	1	3,350,000	3,260,000	Kentucky.....	1	3,186,025	3,320,248
Missouri.....	2			Missouri.....	2		
Total.....	84	46,483,424	52,466,186	Total.....	94	48,785,390	53,992,551

IMPORTS, EXPORTS, AND CONSUMPTION.

The following tables show the imports for consumption, the exports, and the apparent consumption of hydraulic cement of all kinds in the United States for the years respectively mentioned:

Imports for consumption of hydraulic cement into the United States, 1902-1907, in barrels.

1902.....	1,963,023	1905.....	896,845
1903.....	2,251,969	1906.....	2,273,493
1904.....	968,410	1907.....	2,033,463

Exports of hydraulic cement, 1902-1907, in barrels.

1902-----	340, 821	1905-----	897, 686
1903-----	285, 463	1906-----	583, 299
1904-----	774, 940	1907-----	900, 550

Total consumption of hydraulic cement in 1907, in barrels.

Total production in the United States-----	52, 230, 342
Imports withdrawn for consumption-----	2, 033, 463
Total -----	54, 263, 805
Exports -----	900, 550
Total apparent consumption-----	53, 363, 255

The figures for 1908 are not available, but it is expected the same increase will be shown.

The same ratio of growth of other industries devoted to the manufacture of substitutes for lumber could be offered, but it is not deemed material, as there can be no possible controversy on that point.

The remarks regarding the difficulty of securing a monopoly on cement, by Mr. Edwin C. Eckel, under whose direction the valuable data on the "Cement Industry in the United States" is prepared, reflect so manifestly the conditions which surround the lumber business that they are herewith appended.

The difficulty of monopoly.

Mr. Eckel says:

Perhaps the most marked feature of American economic history during the last decade has been the manner in which industry after industry has become consolidated in control, so as to approach more or less closely to monopoly. This has been particularly well marked in the iron and steel industries, and it is worth considering how far a similar evolution is likely to affect the cement industry. At present the cement industry is the most individualistic of the larger branches of manufacture. No "trust," nor even any approach to a monopoly, is in existence, newspaper statements to the contrary notwithstanding; and in the writer's opinion the nature of the cement industry renders it impossible that any such large degree of consolidation of interest can take place as to result in permanently or unfairly high prices for the product.

When the history of both successful and unsuccessful "trusts" is examined, it will be seen that the only way in which a permanent monopoly can be secured and retained by any consolidation is by the control of the supply of raw material, by the absolute control of basic patents, or by the control of transportation.

* * * * *

On careful consideration of the matter, it will be seen that only one answer is possible. It is safe to say that more than 20 per cent of the entire area of the United States is underlain by raw materials out of which cement could be made if prices were forced high enough.

American cement is protected against foreign competition by a duty equivalent to 25½ per cent.

Lumber is protected by a tariff of only 12 per cent, which in all fairness should not be lowered.

Shingle markets.

The same conditions which surround the lumber trade of the Pacific coast are equally true of the shingle business. The following letter from the University Lumber and Shingle Company, of Portland,

Oreg., shows the situation fairly. The difference in the cost of Chinese labor as compared with American makes a cost difference of about 30 cents per thousand shingles and practically equalizes the present duty of 30 cents now imposed on shingles.

Shingles.

Cost of manufacturing shingles per 1,000 for labor in United States, 55 cents; British Columbia, Chinese labor, 25 cents; difference, 30 cents.

PORTLAND, OREG., November 11, 1908.

MR. GEORGE M. CORNWALL,
Portland, Oreg.

DEAR SIR: In answer to your favor of November 11 as to the actual cost of labor in manufacturing extra # A # shingles, would state that we keep a very accurate account of the labor that is used for manufacturing shingles at our plant and figure the same every week, and it varies from 52 cents to 56 cents per thousand for extra # A # shingles. This is the grade that is used in the territory that we are shipping to, and we manufacture about 4,000,000, or 20 carloads, of extra # A # shingles per week. And would state that on clears it would cost at least 10 cents per thousand more for the actual labor that is taken.

Would state that if the duty is removed it would almost ruin our business, as the shingle men in British Columbia are using mostly Chinese help. We would be placed to a disadvantage on the labor problem alone from 20 cents to 30 cents per thousand, as a Chinaman can be hired much cheaper than a white man.

We are also placed to a great disadvantage as to the price of logs from British Columbia compared to the logs on the Columbia River, and the same rule would apply to that, as a great many Chinamen are employed there in camps.

The ability of the British Columbia manufacturer of red-cedar shingles to compete successfully against the American manufacturer is proven absolutely by his ability to purchase labor and logs at a less cost than his American competitor and still realize a profit despite the fact that duty on Canadian shingles is 30 cents per thousand.

On account of the cost of actual labor we find, under the present tariff, they are our most active competitors in the Eastern and New England States despite the fact that their rail rate is equal to ours.

Yours, respectfully,

UNIVERSITY LUMBER AND SHINGLE Co.,
Per A. J. KROENERT.

Oregon bureau of labor exhibit.

Through the courtesy of the commissioner of the bureau of labor in Oregon we are able to present the figures shown in an advance sheet of the biennial report for the years 1907-8 to the legislature of Oregon. This report shows that the average wage paid for skilled workmen in the sawmills and logging camps of Oregon covering these years were: Skilled labor (sawmill), average per day, \$3.10; unskilled labor (sawmill), average per day, \$2.21; labor (in logging camp), per month, \$61.

These figures, from the most authoritative sources obtainable, prove conclusively that the contention that the low wage schedule of eastern Canada in the woods and of British Columbia, with its Mongolian labor in the mills, must be clear to every unprejudiced man; that the inexorable law of the survival of the fittest must necessarily crowd the American wage scale to the lowest level if unrestricted competition be permitted.

The relation of the tariff to northern lumber.

The protection afforded by the tariff is of vital importance to the manufacturers of white pine and hemlock lumber who are operating in the States of Minnesota, Wisconsin, Michigan, and Pennsylvania. While it is true that the production of lumber in these States has decreased—although the total lumber production of the entire country has greatly increased—a large number of people are directly dependent upon it, and will be for many years.

There are approximately 100,000 men directly engaged in the lumber business in the States named, whose families will average at least four persons, making a half million people who would be affected by anything that would seriously disturb the prosperity of this industry—as the removal of the existing protection would certainly do. There are over 300 towns in the States named which are almost wholly maintained by the sawmills situated in them. Hundreds of small merchants and dealers of every kind derive their livelihood largely from the money paid out in wages to the employees in the sawmills.

The making of lumber consumes more of the produce of the farmer than any other manufacturing industry. Great as is the aggregate amount of wages paid to the employees of the lumber mills and to the men engaged in the woods, still greater is the amount of money paid for supplies of every kind, most largely produced by the farmer. These include horses in great numbers, their feed, and food for the woodsmen, not to mention vast quantities of woolen goods, leather belting, and many similar articles, the raw materials for which are produced by the farmer. The vastness of the market afforded by the lumber industry of the Lake States for farm products will be apparent. The advanced prices which the lumber manufacturers have been obliged to pay for many classes of farm products have been greater during the past eight years than have been the advances which they have been able to obtain for lumber. We give below a list of prices on principal cereals for a period of years, as well as prices on standard grades of white-pine lumber:

Range of prices of northern pine lumber.

[Mill averages—standard grades.]

	1898.	1899.	1900.	1901.	1902.	1903.
Dimension (2 x 4-16')-----	\$11.50	\$12.50	\$12.00	\$12.50	\$14.00	\$15.00
Common boards (8", No. 2, 16')-----	12.00	14.00	14.50	15.00	17.00	17.50
No. 4 boards-----	7.00	11.00	11.00	10.00	11.50	11.50
Fencing (6", No. 2, 16')-----	12.00	14.00	14.50	15.00	16.00	18.00
Finish (13", O, Sel.)-----	30.00	35.50	37.00	41.50	45.50	46.00
Siding (O)-----	16.50	18.00	19.50	22.50	24.00	25.00
Average-----	12.25	12.50	13.50	14.30	15.10	15.90

Range of prices of northern pine lumber—Continued.

	1904.	1905.	1906.	1907.	1908.
Dimension (2 x 4-16').....	\$15.00	\$16.50	\$21.00	\$22.00	\$18.00
Common boards (8", No. 2, 16').....	18.00	18.50	20.50	23.00	22.00
No. 4 boards.....	12.50	13.50	16.00	17.50	14.00
Fencing (6", No. 2, 16').....	18.50	19.00	24.00	26.00	20.00
Finish (1½", C, Sel.).....	46.00	46.50	48.00	49.00	49.00
Siding (O).....	23.00	23.00	24.00	24.00	22.00
Average.....	16.12	17.22	20.43	21.35	19.80

Range of grain prices.

[Average cash prices at Chicago.]

	1898.	1900.	1902.	1904.	1906.	1907.	1908.
Wheat, No. 1 northern.....	\$0.71½	\$0.72	\$0.71½	\$0.91½	\$0.87½	\$0.93	\$1.15
Corn, No. 3 yellow.....	.80	.82½	.68½	.49½	.47	.64½	.63½
Oats, No. 3 white.....	.21	.22½	.35	.41½	.40	.43½	.47½

Those who have appeared before the Ways and Means Committee favoring a repeal of the present tariff on lumber have testified that in their opinion the removal of the duty would not cheapen the price of lumber to the American consumer. In that event we ask why it should be removed? It would benefit no one but those who hold leases on Canadian timber lands from the Canadian government, and would deprive our Government of a much-needed revenue.

There is prevalent throughout the Middle West the widespread impression to the effect that the removal of the tariff would cheapen the price of lumber to the consumer. This is based upon erroneous information, largely disseminated by the newspapers which are in favor of the removal of the duty on lumber products and wood pulp for obvious reasons. The lumber mills of Canada do not now manufacture a sufficient quantity of the better grades to supply their home demand, and large quantities of the good lumber manufactured in this country is exported to Canada. We ship more lumber to Canada than to any other country, except England and the Argentine. Our exportations, and the value of the same, during the past four years, have been as follows:

Year	Feet.	Value.	Year	Feet.	Value.
1903.....	159,379,000	\$3,286,367	1907.....	172,371,000	\$4,971,808
1906.....	101,989,000	2,576,189	1908.....	149,884,000	4,269,179

There has been enormous development, especially of the western Canadian Provinces, within the past six years. This remarkable growth is certain to continue, since the cultivation of wheat in that section is rapidly increasing. The nations of Europe continue to call for more wheat than the United States can furnish them, for our wheat cultivation is decreasing and the deficiency must largely be made up by the development of the prairie section of Canada, where the conditions are extremely favorable for the cultivation of this crop. The development of the country, extending 800 miles west from Win-

nipeg, Manitoba, including the Provinces of Saskatchewan and Alberta, to the Rocky Mountains, is certain to consume vast quantities of lumber, principally for ordinary construction purposes, and as the lumber business in the timbered area of British Columbia and north of the Great Lakes is developed to supply this demand, the saw-mills will find themselves possessed of immense quantities of low-grade lumber, of which every class of timber produces a large percentage, which can not be utilized for construction purposes. It is this low-grade stock that will come into direct competition with the American mills if the duty is removed. This is a class of lumber which the average American consumer does not use, and is not even sold to the average country retail lumber yard. As the general prosperity of the American nation has increased since 1899, there has developed an enormous demand for lumber suitable for boxes, crating, etc., which, previous to the year mentioned, was burned up simply because there was no demand for it. The mills operating in white-pine timber formerly maintained large burners into which all refuse, including the class of materials from which low-grade boards are now made, was burned. As the demand for this portion of their output increased, its value correspondingly advanced, and with every rise in price it has been possible to bring out of the woods logs and material which were previously unprofitable to handle, and which were consequently allowed to burn or rot on the ground. There is no more forcible example of the undisputed fact that high prices for lumber tend to conserve the forests than the experiences of the white-pine manufacturers with their low-grade lumber during the past few years. Because they could profitably handle this stuff the manufacturers have cleaned their lands so closely that approximately 40 per cent of their total output has consisted of what is known as "Mississippi Valley Nos. 3, 4, and 5 boards." Practically none of the No. 4 and No. 5 boards are sold to the retail lumber dealers operating country yards. This low-grade stuff is used almost exclusively in the manufacture of boxes, packing crates, and for many similar purposes. Its sacrifice, both by burning it up at the mill and leaving it in the woods, would not cheapen the lumber used by the average consumer; neither would the admission of this class of lumber from Canada reduce the cost of the ordinary grades in this country. It would simply compel the American manufacturer to waste a considerable part of his available material and deprive the Government of revenue.

The Canadian lumberman can produce lumber cheaper than can the American lumber manufacturer for many reasons. First, because of his ability to obtain labor, under ordinary conditions, at some less cost, and second, because the Canadian manufacturer is not subjected to the excessive taxation which the American mills are burdened with. The Canadian holds a license from either the dominion or the provincial governments to cut the timber within certain limits. He pays an annual land rent, and a royalty for each thousand feet of timber which he cuts after the same is manufactured and sold. The rental and the royalty together do not amount to the taxes which are imposed in the United States. The Canadian government stands the risk of deterioration and fire loss which the American is obliged to assume.

The testimony before the Ways and Means Committee of Mr. Edward Hines, of The Edward Hines Lumber Company, Chicago, Ill.,

was a very clear exposition of the burdens assumed by the American manufacturer by reason of excessive taxation as compared with the advantages of holding timber licenses in Canada. The Company in which Mr. Hines is interested owns 500,000,000 feet of timber limits in Ontario, the carrying charge of which is infinitesimal as compared with the tax of 3 or 4 per cent imposed upon the value of his company's timber holdings in Wisconsin, which is entirely in addition to the personal property tax, which is not levied at all in Canada.

The question of the taxation of timber lands in the United States is one of the most serious problems that faces the American lumber manufacturer to-day, and upon its proper and prompt solution depends the conservation of our forests.

It may be asked how the Canadian manufacturer can sell his low-grade output in this country cheaper than we can. This is possible, first, because a large part of the Canadian lumber output can be transported more cheaply to our consuming territory than it can be shipped from the American white-pine mills. The white-pine timber belt of Canada, which would enter most directly into competition with the mills in Minnesota, Wisconsin, Michigan, and Pennsylvania, are principally located in the Georgian Bay district. They are all situated on the Canadian shore of the lakes, their logs being floated down the many streams which flow into Lake Superior, Lake Huron, and the Georgian Bay, making timber as far as 300 miles north tributary to these manufacturing points. The great consuming and distributing cities of Milwaukee, Chicago, Toledo, Cleveland, Buffalo, and Tonawanda, not to mention many of the smaller lake ports, are directly accessible to the Canadian mills at a lesser cost of transportation than are the majority of our own white-pine mills. The Canadian mills in the territory referred to can reach the cities mentioned directly by water at an average transportation cost of \$1.75 per thousand feet of lumber, whereas our own interior mills are obliged to depend upon rail, or rail and water, shipments, the transportation cost ranging from \$5 to \$10 per 1,000 feet to the same distributing markets. Lumber is reshipped and distributed from the lake ports to all points of the immense consuming territory embraced within New York on the east, the Ohio River on the south, and the Mississippi River on the west. The removal of the duty would certainly permit the Canadian manufacturers of the Georgian Bay district to enter this immense market with their low-grade material to the detriment of the American producer, and all that he represents, and to the great waste of our forests.

The amount of lumber imported into this country from Canada has increased extensively both in volume and value per thousand feet, as the table below will show:

Importations of lumber from Canada.

Year.	Feet.	Value.	Per thousand.
1892	668,226,000	\$7,540,700	\$11.37
1893	742,351,000	8,217,331	11.06
1894	514,461,000	6,134,204	11.92
1895	600,790,000	6,859,078	11.41
1896	786,001,000	8,508,641	10.82
1897	883,770,000	9,073,312	10.26
1898	353,134,000	3,499,569	9.91
1899	423,720,000	4,186,664	9.88
1900	680,069,000	7,464,208	10.27
1901	490,570,000	6,343,826	12.93
1902	664,751,000	8,288,970	13.88
1903	719,135,000	10,569,066	14.69
1904	586,459,000	8,744,398	14.91
1905	705,896,000	10,726,273	15.20
1906	944,275,000	14,592,634	15.45
1907	924,863,000	15,867,631	17.15
1908	782,789,000	14,989,179	19.14

Comparative average wages paid by pine sawmills of Wisconsin, Minnesota, and Michigan.

[Sawmill employees, day rate.]

	1895.	1898.	1900.	1902.	1904.	1906.	1908.
Foremen	3.19	3.85	4.50	5.00	6.00	7.00	6.50
Millwrights	2.55	2.83	3.50	3.75	3.80	4.00	3.25
Engineers	2.55	2.80	3.50	3.50	4.00	4.50	4.00
Sawyers	3.50	4.50	5.25	5.50	6.00	6.50	6.00
Setters	2.25	2.50	2.75	2.80	2.85	2.90	2.75
Edger men	2.25	2.50	2.75	2.80	2.85	2.90	2.75
Trimmer men	2.00	2.50	2.60	2.60	2.75	2.80	2.50
Graders	2.25	2.50	3.00	3.00	3.25	3.25	2.50
Tallymen	2.00	2.25	2.25	2.40	2.50	2.60	2.25
Pilers	1.55	1.75	1.90	2.00	2.15	2.25	2.15
Blacksmiths	2.00	2.50	3.00	3.00	3.00	3.25	2.75
Laborers	1.25	1.75	1.80	1.85	1.90	2.00	1.75
Sorters	1.50	1.80	1.90	2.00	2.25	2.50	1.95
Boom men	1.50	1.65	2.00	2.15	2.25	2.50	2.25

Wages paid for woods work in Minnesota, Wisconsin, and Michigan.

[Monthly wage, including board.]

	1896.	1898.	1899.	1900.	1901.	1902-4.	1906-7.	1907-8.
Teamsters	\$16	\$20	\$24	\$26	\$30	\$35	\$38	\$30
Swampers	13	20	24	25	30	30	40	35
Choppers	14	20	24	26	30	30	40	35
Loaders	20	26	30	32	36	35	40	35
Sawyers	14	20	24	26	30	32	35	32
Graders	13	18	20	24	30	30	36	30
Chain tenders	16	18	20	24	30	30	35	25
Blacksmiths	35	45	50	55	60	60	65	55
Cooks	40	45	50	56	65	65	70	50

Comparison of wholesale prices of northern pine.

Sizes.	F. o. b. Winnipeg, Manitoba, February 1, 1908.	F. o. b. Minneapolis, Minn., January 28, 1908.
Rough timber:		
8 x 6, 8 x 8, 12, 14, and 16'-----	\$23.50	\$18.50
3 x 10, 12'-----	25.00	21.00
3 x 12, 12'-----	26.00	22.50
4 x 4 to 8 x 8, 12, 14, and 16'-----	23.50	19.00
4 x 4 to 8 x 8, 12'-----	23.50	19.00
4 x 10 to 10 x 10, 12'-----	23.50	21.00
Fencing, rough:		
No. 1 6", 10-14'-----	26.50	23.00
No. 2 6", 10-14'-----	23.50	25.50
No. 3 6", 10-14'-----	20.50	15.00
4 and 6" flooring:		
O, 10-14'-----	42.50	44.00
D, 10-14'-----	29.50	32.00
O and better Norway 10-14'-----	27.50	30.50

Highest and lowest prices paid the State of Minnesota for stumpage.

	Highest.	Lowest.		Highest.	Lowest.
1895-----	\$5.25	\$1.00	1902-----	\$10.60	\$2.50
1896-----	(*)	(*)	1903-----	9.00	3.50
1897-----	5.05	1.00	1904-----	9.00	3.00
1898-----	4.05	1.50	1905-----	12.25	4.00
1899-----	(*)	(*)	1906-----	13.55	5.00
1900-----	9.00	2.00	1907-----	9.00	4.00
1901-----	8.70	3.50	1908-----	(*)	(*)

* No state sales held.

In 1890 pine stumpage, the estimates of which included only the very best timber, was sold at from \$5.50 to \$6.50 in the State of Michigan, from \$2 to \$4.50 in Wisconsin, and from 75 cents to \$4 in Minnesota. At the present time Michigan timber is held for \$10 to \$20 and above. In Wisconsin timber sells for from \$6.50 to \$15, and in this State the last sale brought \$5 for the minimum and \$13.55 for the maximum prices. Estimates now include all of the timber, regardless of its size or quality.

The United States Government sells white pine in Minnesota to-day for \$12 and Norway for \$10.

It is impossible to buy logs in the open market and manufacture them and sell lumber at prevailing market prices and realize any profit.

The removal or the material reduction of the existing tariff would only enable those who operate under Canadian timber licenses to flood the American markets with their low-grade product to the detriment of both American labor and employers, without benefiting the average consumer, who would be obliged to pay as much for the ordinary grades of lumber he purchases as he does at present.

It would prevent the American manufacturer from utilizing the raw product to as close an extent as he now does; hence would increase the waste in our forests. It would hasten the destruction of the Canadian forests and would reduce the revenue of our Government.

Respectfully submitted.

D. E. SKINNER,
VICTOR H. BECKMAN,
GEORGE M. CORNWELL,

*Representing the Pacific Coast Lumber,
Timber, and Shingle Interests, and 190,000 Wage-earners.*

SAWED LUMBER.

[Paragraph 195.]

THE MILLARD LUMBER COMPANY, ROUSES POINT, N. Y., THINKS
DUTIES ON DRESSED LUMBER SHOULD BE INCREASED.ROUSES POINT, N. Y., *December 1, 1908.*

HON. SERENO E. PAYNE,

*Chairman Ways and Means Committee,**Washington, D. C.*

DEAR SIR: I understand that your committee is considering the question of tariff on lumber and its products, together with the dressing connected thereto.

I have the honor to be president of the Millard Lumber Company, also of the village of Rouses Point. We have a large mill here, with 36 acres of piling ground, and also two yards on the Hudson River. Our mill here at Rouses Point is within 1 mile of the Canadian line, and we are sawing logs, manufacturing box shooks, and dressing lumber in transit from Canada to the States. It is the principal industry of this place, and we have on our pay roll about 150 men, and are cutting timber in the Adirondacks, having now 30 men or more there, and bringing the logs here to be manufactured. We have also purchased within the last two years 800 carloads of spruce logs from Canada. There is no duty on logs, but there is a duty of \$2 per thousand feet on sawn lumber. We paid a freight of \$3 per thousand feet on logs from Canada on the amount of sawn lumber the logs produced. That same lumber, if sawn in Canada, the freight on it would have been about \$1.25 per thousand feet. The railroads have now advanced the freight on logs to nearly four times what the lumber would be—that is, what the logs would produce.

I have been in the lumber business fifty-six years, part of the time with my father—my father commencing in 1824—the balance of the time, since 1880, with my two brothers, who are interested with me now; there are only the three of us in the business, and we have had five yards, four of which were on the Hudson River, and this one up here. I claim to have had as much experience as most anyone that is in the lumber business, and I honestly think that if the duty is taken off of lumber and the dressing of same it will be impossible for us to stay here in Rouses Point—we will have to go into Canada. For instance, we are buying lumber now in Canada, where the freight is 14 cents per hundred pounds to Rouses Point; estimating the dry lumber at the mill at 2,500 pounds to the thousand feet, that would make the freight \$3.50 per thousand; if it was dressed there the freight would be \$2.80 per thousand feet. There is 70 cents saved in freight alone, besides the labor at these mills, as near as I can get at the information—is at least 25 to 30 per cent less than what we have to pay here. Furthermore, the present duty of \$2 per thousand feet is very low anyway, in comparison to the extra cost of manufacturing from the log on this side of the line. For instance, good sidings in Canada are worth \$40 per thousand feet at a low estimate, and extra good lumber ranges from \$50 to \$60 per thousand feet. Say we average it at \$40, \$2 per thousand feet duty is only 5 per cent, and any good

business man would readily see that lumber could be manufactured in Canada for a good deal less percentage than that, comparing it with the cost over here.

I hope the tariff will not be altered, unless it would be to increase the rate on dressed lumber.

Canada people have the advantage of us to-day, more than what the present extra duty is on dressed lumber, and I can not help but think that if the duty is reduced on rough lumber, Canadians will advance their prices that much more.

I have been looking for a block of timber in Canada that I could bring out here in the log and manufacture on this side of the line at our mills here, but if the duty is taken off of lumber, or reduced to any considerable extent, my interest would be to manufacture the lumber in Canada and send it over here. There is at least \$2 per thousand benefit to our labor on this side by bringing the logs over from Canada—yes, nearer \$3.

Any further information that you would like that I am able to give I will gladly submit.

Yours, very truly,

WM. B. MILLARD,
President Millard Lumber Company.

**STATEMENT OF COL. ALBERT CLARKE, OF BOSTON, ASKING
RETENTION OF PRESENT DUTIES ON SAWED LUMBER.**

FRIDAY, *November 20, 1908.*

MR. CLARKE. Mr. Chairman and gentlemen of the committee, I represent the Rufus Deering Company, wholesale and retail lumber merchants, of Portland, Me.; also the St. Johns Lumber Company, of the same city, manufacturers of spruce and cedar, with a daily capacity of 125,000 feet of long lumber, 80,000 laths, 5,000 clapboards, and 175,000 feet of shingles.

We desire to have the present duty on sawed lumber—\$2 per 1,000 feet—continued. When there is an active demand it does not prevent a large importation, but when trade is depressed, as it has been for a year past, it affords some protection. There has been little or no profit made in the manufacture since the panic of October, 1907, but without the duty the Canadian manufacturers would have supplied our market, unless our workmen would have accepted the Canadian scale of wages.

Later I will file a statement of the relative wages paid in both forest and mill in the two countries.

Spruce lumber, delivered at Boston points, is now selling at from \$20 per 1,000 feet for narrow random to \$24 and \$25 for lumber cut to order, 9 inches wide and narrower. If it is 10 or 12 inches wide the price is \$2 higher. It is obvious, therefore, that the duty affords but 9 to 10 per cent protection.

In this connection I desire to present a table of the average prices of spruce lumber, delivered in Boston, from 1897, the year of the enactment of the present tariff, to 1906, the year of the highest prices, both inclusive, which was furnished me by Walstein R. Chester & Co., wholesale lumber commission merchants in Boston.

Average prices of spruce delivered at Boston.

	1897.	1898.	1899.	1900.	1901.	1902.	1903.	1904.	1905.	1906.
Yard orders by vessel.....	\$13.50	\$10.00	\$16.00	\$14.60	\$14.75	\$17.50	\$17.75	\$18.00	\$19.00	\$20.00
Extra clapboards.....	30.00	29.00	29.00	27.00	30.50	42.00	45.00	45.00	45.00	45.00
Spruce boards.....	10.50	9.50	13.00	13.00	15.00	16.00	16.50	17.50	17.00	19.00
Pine shippers.....	16.00	15.00	17.00	20.00	20.00	22.00	25.00	25.00	25.00	25.00
Oargo hemlock boards.....	10.00	9.63	11.75	13.00	14.50	14.50	14.00	14.00	18.50	20.00
Frames.....	13.50	14.50	18.50	18.00	18.00	18.00	19.00	19.00	22.00	24.00
Furring.....	12.00	12.00	13.50	12.50	15.50	17.00	17.50	18.00	21.50	21.00
2 x 4" and 2 x 3".....	12.00	11.00	14.00	13.50	16.50	17.50	17.00	17.50	19.00	19.00
1½" laths cargo.....	1.50	1.95	2.50	2.50	2.50	3.00	3.10	3.25	4.00	4.00
1½" laths cargo.....	2.20	2.30	2.25	2.25	3.00	3.25	3.25	3.30	3.90	4.20
Extra cedar shingles.....	2.65	2.60	2.60	2.90	3.50	3.40	3.40	3.50	8.50	8.50

In transmitting it, Mr. Chester wrote:

The great changes of prices in lumber are owing, particularly in spruce, to the quantity now used by paper mills, they using nearly one-half of the entire cut; to the increased hauling distance, to enhanced cost of manufacture, and also to increased demand. Of pine, South America takes about all the 12-inch boards that are manufactured in Canada, quite a percentage of our own cut, and at prices that consumers here could not meet, even were there no duty. There can be no advantage to consumers here in taking the duty from lumber.

I respectfully call the attention of the committee to the fact, as shown by this table, that prices were not higher, but were generally a little lower, the next year after the Dingley law was enacted than they were the year before. This proves that the duty was not added to the price. Then there is the further fact that prices far outran the duty as demand increased. On spruce boards, for instance, the price became \$8.50 a thousand higher than it was when the \$2 duty was put on. It would be absurd to claim that the duty was responsible for an advance more than four times greater than itself.

Particular care should be taken to afford adequate protection to the by-products. To illustrate: The Canadians in the lower Provinces ship their best grades of manufactured lumber to England and South America, where they obtain about as good prices as prevail in the United States and have no duty to pay. Then they make millions of laths out of the edgings and slabs, and dump them upon our market under the nominal duty of 25 cents per 1,000 pieces.

This duty ought to be doubled, for, as a rule, the most money that the sawmill makes is on the waste. A duty of 50 cents per 1,000 pieces would not be out of proportion to the other lumber duties, and would not average up to the duties in other schedules.

When this duty was established the price of laths was about \$1.50 per 1,000. Two years ago it held for the entire year from \$3.90 to \$4. During the last year laths delivered by vessel in New York have brought from \$2.75 to \$3.50. The ad valorem equivalent of the duty at present is only 7.2 per cent, but when enacted it was 16.6 per cent. If it is doubled now it will not be equal to what it was then.

Mr. James W. Parker, president of the companies that I represent, informs me that "at times ten to twenty-five millions of laths from the Provinces arrive in New York in a fleet of vessels in one day." The magnitude of this by-product business, therefore, is sufficient to merit attention.

The duty of 30 cents per 1,000 on shingles is moderately protective and should either be continued or increased. There are large quantities of cedar in northern Maine and in the Canadian Provinces, and shingles made from cedar in both places compete sharply in our market.

Mr. HILL. Have you any idea that the people in Massachusetts, Rhode Island, and Connecticut, the manufacturers there, would consider for a moment the increase of duties to any such basis as you are considering there?

Mr. CLARKE. The only increase that is asked is on laths, and that would not make it equal in the ad valorem equivalent to what it was when the duty was imposed. I desire to add that in my opinion the increased duty will not increase the price. The Canadian and other exporters to this country will pay it to enjoy our market, and thus our revenue will be increased three or four hundred thousand dollars a year.

**COL. ALBERT CLARKE, OF BOSTON, MASS., FURNISHES STATEMENT
OF CANADIAN AND MAINE LUMBER LABOR COST.**

DECEMBER 7, 1908.

HON. SERENO E. PAYNE,

Chairman Committee on Ways and Means,

Washington, D. C.

SIR: In my statement of Friday evening, November 20, I promised to furnish figures of the wages in lumber mills and forests in the State of Maine and in Canada. In compliance therewith I give figures furnished to me by Mr. James W. Parker, treasurer of the St. John Lumber Company, of Portland, Me., and a table of the wages of similar employees in the Province of Quebec and in the mills of J. R. Booth, of Ottawa, Ontario.

In Maine:		In Canada:	
Setters	\$2. 50	Setters	\$1. 50
Doggers	2. 00	Carriage riders	1. 25
Sawyers	5. 50	Sawyers	1. 75 to 2. 00
Edgers	3. 00	Edgers	1. 50 to 1. 66
Common labor	1. 50 to 1. 75	Common labor	. 70 to . 90
Carpenters	2. 00	Carpenters	1. 00
Teamsters	1. 75	Horse teamsters	. 90
Filers	4. 00 to 6. 00	Filers	1. 75 to 2. 00

In Maine the wages paid in the woods in the winter of 1907-1908 were \$26 to \$35 per month and board—the \$35 being paid to teamsters and choppers. Wages are lower this winter, because so much labor is out of work. They range from \$24 to \$30.

In Canada the wages in the woods ranged from \$8 to \$18 per month and board during the winter of 1897.

My information in regard to Canadian wages is taken from Exhibit A in the pamphlet memorial of the lumber manufacturers of the United States sent to the joint high commission, sitting at Quebec, in the autumn of 1898. I have not been able to obtain later figures, but am advised that there has been a small increase in wages paid, probably, however, only corresponding with the increase in the United States.

Very truly, yours,

ALBERT CLARKE.

PLANED LUMBER AND CLAPBOARDS.

[Paragraphs 195 and 199.]

**THE ANKETELL LUMBER COMPANY, DETROIT, MICH., CLAIMS
THAT PRESENT TARIFF IS PROHIBITIVE.**DETROIT, MICH., *November 27, 1908.*SECRETARY WAYS AND MEANS COMMITTEE,
Washington, D. C.

DEAR SIR: As a consumer, a retailer, and a wholesaler of lumber, please file this protest against Schedule D of said tariff. The companies which I represent are particularly interested in and familiar with the items referred to in sections 195, 199, 201, and 203, and I wish to go on record as saying that the present tariff on the items referred to in those sections is detrimental to the interests of the consumers, retailers, and wholesalers, or jobbers of lumber, and that all of said items referred to in those sections should be placed on the free list.

Referring particularly to that part of section 195 which reads as follows: "But when lumber of any sort is planed or finished, in addition to the rates herein provided, there shall be levied and paid for each side so planed or finished fifty cents per thousand feet board measure," would say that, in trade terms, a board has four sides, or two sides and two edges, and that the usual price ranges from 50 cents to 75 cents per thousand feet board measure for planing one side; from 75 cents to \$1 per thousand feet for planing two sides; from 75 cents to \$1 per thousand for planing two sides and one edge, or three sides; and from \$1 to \$1.25 per thousand for planing four sides, or two sides and two edges.

Further, referring to that part of said section reading "and if planed on one side and tongued and grooved, one dollar per thousand feet, board measure; and if planed on two sides and tongued and grooved, one dollar and fifty cents per thousand feet, board measure," the usual price for planing one or two sides and tongued and grooved ranges from 75 cents to \$1.50 per thousand feet, board measure.

Further, referring to section 199, reading, "Clapboards, one dollar and fifty cents per thousand," would say that this section does not state whether it is board measure or not, but I take it for granted that it means surface measure, which would mean a tariff of \$3 per thousand feet, board measure. The usual price for making clapboards ranges from \$2 to \$3 per thousand feet, board measure, or from \$1 to \$1.50 per thousand feet, surface measure.

Further, referring to the prices quoted, would say that these are the prices in vogue in most sections of the country where lumber is manufactured in large quantities. You will, therefore, see that your tariff on most items is practically prohibitive.

Sections 201 and 203 are not altogether prohibitive, although the tariff referred to is prohibitive most of the time.

Very truly, yours,

THOS. J. ANKETELL.

WHITE CEDAR POLES, POSTS, AND TIES.

[Paragraph 196.]

CHICAGO AND MICHIGAN DEALERS RECOMMEND REMOVAL OF
DUTY FROM WHITE CEDAR POLES, POSTS, AND TIES.CHICAGO, *December 3, 1908.*

HON. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: Please accept our thanks for your courteous letter of November 29, in answer to our inquiry of the 27th ultimo regarding a hearing before your committee on white-cedar products. We are sorry that we will not have time to have formal action taken by our association, as our annual meeting does not take place until some time in January.

There has been a meeting of a number of members of the association who are large owners of white-cedar stumpage, are large manufacturers of the products of white cedar, and who buy and sell the finished product—to wit, poles, posts, and ties—and we beg to submit the following:

That we believe the time has come when the duty imposed on white cedar posts, poles, and ties, as set forth in paragraph 196, on which a duty of 20 per cent ad valorem is imposed, should be removed.

We do not think that it would jeopardize any interests whatever, although there are some of our members who may object. But the price of labor of woodsmen in Canada is practically as high as it is on this side of the line; that any slight difference that may exist would be more than overbalanced by the extra cost of transportation. That it would tend to preserve to a small extent some of our own natural resources, as there are many millions of small trees cut into posts and small poles which, if let grow, would make valuable poles, ties, etc.

There is a great deal of data which we could bring forward to support our contention, but if in the wisdom of Congress it is not thought best to entirely remove the duty on white cedar poles, posts, and ties, we respectfully ask that the duty be made a specific one and materially lowered. There are regulations also which are very burdensome, particularly where material comes into the United States by vessel. The question of inspection is sometimes a question of different men's opinions, and a specific duty per tie, per post, or per pole of the various lengths would eliminate all this trouble.

Our contracts are made a long time in advance, and under the law as it now stands we are supposed to pay duty on the market price, whatever that is at the time the material is imported. We sell also a long time in advance and there is always a great variation in these prices, because one railroad may contract to pay 30 cents for ties in October, which might be at that time the market price, while another railroad might contract to pay 40 cents in July of the following year, which would establish another price. Both of these lots of ties may be on the same boat. Which is the market price, 30 cents or 40 cents? This is only one incident. There are hundreds that could be cited.

We respectfully ask that this letter be printed with the hearings of the committee, so that when this matter is further taken up an opportunity may be given us to present our case in a concise but complete form.

Thanking you for the courtesy, we are,

Respectfully, yours,

WM. MUELLER COMPANY,
Blaney, Mich.
 MESSRS. RABER & WATSON,
Chicago.
 THE VALENTINE-CLARK COMPANY,
Chicago.
 NAUGLE POLE AND TIE COMPANY,
Chicago.
 J. W. BENHAM.

WOOD LAST BLOCKS.

[Paragraph 200.]

THE BOSTON, MASS., LAST COMPANY RECOMMENDS THE PLACING OF WOOD LAST BLOCKS ON THE FREE LIST.

BOSTON, MASS., *December 1, 1908.*

HON. SERENO PAYNE,
Washington, D. C.

MY DEAR SIR: We respectfully call the attention of your committee to the tariff on wood last blocks, which are now assessed at 20 per cent ad valorem.

It is our opinion, which we respectfully submit to your committee, that the tariff ought to be changed and wood last blocks placed on the free list, for the following reasons:

First. The wood last blocks are raw materials used in the manufacture of fine lasts. Fine lasts are a staple article necessary in the manufacture of shoes. The rough wood last blocks are cut from rock maple, basswood, and sometimes birch and beech. After the trees are felled the timber is cut into short logs, split, and rough-hewn and roughly dried. In this condition they are imported into the United States from Canada.

Second. The supply of available timber for this purpose in the United States is limited and is fast becoming less.

Third. Owing to the decreasing supply of timber the price of rough last blocks is advancing in the United States. In 1890 the price of a size 7 block was \$40 per thousand. In 1908 it is \$50 per thousand, and all other sizes have advanced in the same proportion, on an average of about 25 per cent.

Fourth. We have attempted the experiment of using Canadian timber for this purpose. The cost of transportation and plus the tariff has largely absorbed the profit expected from the importation, and were it not that the American supply is not large enough at the current market prices to supply all needs it would not pay to import the blocks. The only present advantage is a sure and steady source of supply.

Fifth. Placing blocks on the free list will encourage the manufacture of shoes and kindred industries in the United States. It will tend to relieve the demand on our forests and it will not afford sufficient competition with those engaged in furnishing blocks in the United States materially to interfere with any established industry. The source of supply of these blocks has been constantly moving westward, and the western demand will take all of the present supply. The eastern demand will be helped by resort to the Canadian forests.

Sixth. The Canadian government lists them as raw material and imposes no duty on blocks imported.

Seventh. To place last blocks on the free list is in line with the fundamental policies of the present tariff-revision program.

(1) It furnishes free raw materials for industries producing a manufactured article in the United States.

(2) It relieves the demand on our fast diminishing forests.

(3) It does not interfere with any existing and established industry.

(4) It tends to cheapen a necessity—shoes.

We trust that this will receive your favorable consideration, but if it is necessary to present this in person before your committee, if you will fix a time to present the same we will be pleased to send our representative to Washington for that purpose.

We remain, respectfully, yours,

BOSTON LAST CO.

SHINGLES.

[Paragraph 203.]

STATEMENT OF JOHN M'MASTERS, OF SEATTLE, WASH., RELATIVE TO THE SHINGLE INDUSTRY OF THE NORTHWEST.

FRIDAY, November 20, 1908.

Mr. McMASTERS. I come from the northwest corner of the United States. I come from the State of Washington. My talk will be something different from what you have been hearing, as it is along a little different line. I am going to talk about the shingle business in the State of Washington. We have been talking lumber to-day, but I will tell you something about the shingle industry in the State of Washington.

I came to the State of Washington about twenty years ago, when the business was just in its infancy. I helped to manufacture about the first shingles that were shipped to the Middle States. We have been making shingles ever since. I am a manufacturer. My business is to cut down the tree, haul it to the water, manufacture it into shingles, load them into a car, and ship them to the market. I am one of 434 shingle mills in the State of Washington.

We do not want the duty removed from shingles. We would like to have it raised. If we can not have it raised, we beg of you to leave it where it is. It means to us who are in the shingle business life or death. I do not think I am putting that any too strong when

I say that. I for one have everything I own in the world invested in that business. I have been in that business all my lifetime. I have made my living at that business. I have supported my family and educated my children in that business. I have two boys who have grown up in the business. They know no other business. When they left school they went into the mill to learn how to make shingles. We have gained a reputation for grades and square dealing of which I think we have a right to be proud.

We believe if the duty is removed from the shingles it is going to destroy our business, because we are right in touch with British Columbia, where they have large quantities of red cedar. The future supply of shingles for this country must come from the State of Washington and the Province of British Columbia largely, because the State of Washington at the present time furnishes between 60 and 65 per cent of the shingles supplied in this country. The State of Washington alone can furnish all the shingles that the United States requires. I think I am not extravagant when I tell you I am satisfied that the State of Washington can furnish all the shingles that the United States can use for the next fifty years.

With us in the cedar business it is either shingles or nothing. People can make pine timber into lumber. They can work oak and all kinds of timber into lumber. We can not do that with cedar. There is only a small part of the cedar that can be made into lumber. There is about 75 per cent of our cedar that is good for nothing else but shingles. We do not know of any other purpose to which it can be put except shingles. We do make telegraph poles and a few ties, but the bulk of the cedar in the State of Washington is manufactured into shingles. It has either got to be manufactured into shingles or it has to stay in the woods.

Before we commenced to make shingles in the State of Washington the logger would go through the timber and leave the cedar standing and take out the fir. There are sections of country in our State at the present time where the cedar is lying and standing where logging operations were carried on twenty years ago.

At the present time we have a market for the shingles and we are cutting it into shingles and shipping it out in that form.

I want to give a little idea of what the shingle industry means to us. I stated in the beginning there were 434 mills, the daily capacity of which is about 15,000,000 shingles. We give employment to about 14,000 men. There are about 14,000 men engaged in making shingles in the State of Washington, and I suppose I may safely add 14,000 more directly depending on the shingle mills for a living, which would be 28,000 people.

The average pay roll in the shingle mills of Washington is about \$3.50 a day per man. There might be some localities where it is a little less. In our business it averages about \$3.50. The labor in a shingle mill is all skilled labor, and the men work a good deal by piecework. The men grew up in the business as boys, and they are experts and can do a large amount of work in a day. The lowest wages we pay are \$2.25 to two or three men, and the highest \$6.70. We pay to labor in the shingle business, each year in our own State, about \$11,000,000. The capital invested, as nearly as we can calculate, in the mills and equipment, is about \$125,000,000. That means a great deal to our State.

I want to give you some more figures. It has been estimated that the total valuation of all products of our State for 1906, including grain, fisheries, coke, coal, lumber, and shingles, was \$128,000,000. The lumber and shingle output amounted to about \$82,000,000.

Mr. HILL. How many millions of shingles?

Mr. McMASTERS. The total value of lumber and shingles was about \$82,000,000, and the value of shingles marketed was about \$17,000,000 in 1906.

Mr. HILL. You have not the figures as to the number of shingles there were?

Mr. McMASTERS. No; but I can furnish that very easily. I may have that somewhere. I am quite familiar with it, but it has escaped my memory just now.

We ask the Government not to remove the duty on shingles, because it means everything to us. It will take our market from us to a large extent. The British Columbia people are in a position to furnish shingles to the United States people in large quantities, but every carload of shingles furnished to the United States market from British Columbia deprives the State of Washington of just that much business.

It is not a question of price altogether. It is a question of market. If we lose our market, we have to close our mills, and many of our people in the State of Washington to-day are not in very good circumstances. A great many of them are in debt. All they own in the world they have invested in their mills and in the timber and business. A great many of them have borrowed money. If the duty is removed from shingles, the business will go to British Columbia, and many of our mills will be closed. The people of British Columbia are shipping shingles in quite large quantities into the United States now, and paying a duty of 30 cents a thousand. I know men personally that live in Seattle that have shingle mills in British Columbia that have operated for years, who have never sold a shingle in Canada. Every one of their shingles has come to this side of the line, and they have to pay a duty on them and yet have made more money than some of the mills on our side of the line.

Mr. HILL. What is the price of shingles now?

Mr. McMASTERS. F. o. b. the mills for extra Star-A-Star, \$1.50 to \$1.60 a thousand. The highest price ever received for that grade is about \$1.75 f. o. b. the cars. The lowest price was about 80 cents, which was some ten or twelve years ago.

It is impossible for the mills of the State of Washington to compete with the mills of British Columbia if the duty should be removed. We can not compete with them as it is, although they pay 30 cents a thousand duty. If the duty should be removed, we are down and out. They have the advantage of us in timber. They have the advantage of us when it comes to making shingles, to the extent of between 15 and 20 cents a thousand in the raw material. They have the advantage of us in labor at least 15 cents a thousand, which makes up the 30 cents they have to pay in duty, so when we consider what they save in timber and what they save in lumber, it totals up the 30 cents duty which they have to pay. If the duty is removed, you can all see we will lose our business, and the mills will be closed and our men will be out of employment, and the conditions

in our State would be hard indeed for the shingle manufacturers. Of that there is not the shadow of a doubt.

When it comes to the tariff question in the shingle business, if the duty is removed, we are right up against the real thing. Our men that are in our employ in the shingle business are all Americans; they are all white laborers. We do not employ oriental labor at all. Our men are well cared for. We provide good, comfortable quarters for our men. We have good boarding houses, and we give them the very best; we think they are entitled to it. Now, is it reasonable or is it fair for this Government to expect us to compete against conditions on the other side of the line, where they employ oriental labor, where men can work from 80 cents to \$1.25 a day in the shingle business, and live in quarters such as they do? Is it fair we should have to compete against those conditions? I consider it only just and right that Canada should have the Canadian market, but I think it only just and right that the Americans in the State of Washington should have the American market for their product.

Mr. HILL. I was out in that country in the year 1895, and shingles were then selling for 90 cents a thousand.

Mr. McMASTERS. I think so.

Mr. HILL. They were then free. A duty of 30 cents was put on them and the price is now, instead of \$1.20, up to \$1.50 and \$1.60. What is the reason for the additional advance of 30 to 40 cents a thousand?

Mr. McMASTERS. It is the same as in lumber. Conditions have changed. Timber is more expensive. Labor has advanced and supplies have advanced.

Mr. HILL. Is labor more expensive than it was ten years ago there?

Mr. McMASTERS. Yes, sir; we pay more wages now than we did then.

Mr. HILL. Stumpage has gone up some?

Mr. McMASTERS. Yes, sir; stumpage has gone up some.

Mr. RANDELL. You say it is a question of life and death with you there. If the United States had been looking out and had taken in the territory now occupied by British Columbia it would have ruined you people?

Mr. McMASTERS. We would not have had our oriental labor.

Mr. RANDELL. It is oriental labor you have to compete with?

Mr. McMASTERS. Yes. In British Columbia the orientals work for a good deal less in the shingle mills than we pay our men.

Mr. RANDELL. I thought you said it took educated labor for the shingle business? Why is it the cost of production of lumber in British Columbia is, as to labor cost, less than in the United States, and when you take shingles, which you say require educated labor, that there the labor costs more than in the United States? How do you account for that?

Mr. McMASTERS. A Chinaman will pack a thousand shingles for less than an American.

Mr. RANDELL. I understood you to say that, as applied to the lumber industry, they can not compete?

Mr. McMASTERS. I confined myself to shingles. I did not mention lumber. I came here to tell about the shingle industry. I want to tell you as nearly as I can why we can not compete.

Mr. RANDELL. Why is it the cost of labor is more in making lumber than it is in making shingles?

Mr. McMASTERS. You mean just the reverse, do you not?

Mr. RANDELL. Why is the labor cost of lumber in British Columbia less than in the United States, and the labor cost in making shingles more in the United States than it is in British Columbia?

Mr. McMASTERS. I do not know the cost of labor for making lumber is greater in British Columbia than it is in the United States.

Mr. RANDELL. That is not borne out by your knowledge of the conditions?

Mr. McMASTERS. No, sir.

Mr. CLARK. Is the red cedar of Washington anything like the red cedar that grows in the Mississippi Valley?

Mr. McMASTERS. I am not acquainted with the red cedar of the Mississippi Valley.

Mr. CLARK. Do you make the wood of lead pencils out of this red cedar of Washington?

Mr. McMASTERS. No, sir.

Mr. CLARK. What is the reason you can not?

Mr. McMASTERS. Possibly we could.

Mr. CLARK. The lead-pencil cedar seems to be a very peculiar product. The reason I ask that question is to suggest to you that if you can do it, you had better get at it. I read an elaborate statement not long ago in some one of these trade journals that the red cedar, out of which lead pencils is made or which is used in making lead pencils, is almost completely exhausted in the United States, and for that reason that they were advising some kind of manufactured article, or trying experiments to see if they could not make lead pencils from some other product. The red cedar which they use for that purpose is so completely exhausted in the United States that they have gone down into southern Missouri and bought up old fences that have been in use down there for twenty or thirty years and replaced them with the best woven-wire fences they could get in exchange for those old cedar rails. If you can make lead-pencil wood out of your cedar, you will find a new use for it. If you can put it to that use, why do you not get at it and study that question?

Mr. McMASTERS. We will have to do so. I thank you for that suggestion.

Mr. CALDERHEAD. There is a great difference between the two cedars.

Mr. CLARK. What is the difference?

Mr. CALDERHEAD. The cedar which you mention grows too rapidly—that is, the Washington cedar.

Mr. CLARK. What difference does that make?

Mr. CALDERHEAD. It is coarse grained. The cedar in the Missouri Valley grows very slowly and is not coarse grained.

BOXES AND FURNITURE.

[Paragraphs 204, 205, and 208.]

THE ITALIAN CHAMBER OF COMMERCE, NEW YORK CITY, ASKS FOR THE REDUCTION OR REMOVAL OF ALL DUTIES FROM BOXES AND FURNITURE.MONDAY, *November 30, 1908.*

The Italian Chamber of Commerce in New York respectfully submits to this honorable committee the following recommendations and arguments in favor of the removal or reduction of the present duties on the articles hereunto specified:

BOXES, BARRELS, OR OTHER ARTICLES MADE OF AMERICAN SHOOKS REIMPORTED FILLED WITH ORANGES AND LEMONS.

According to paragraph 205 of the present tariff boxes, barrels, or other articles containing oranges, lemons, and kindred citrus fruit pay a duty of 30 per cent ad valorem, "*Provided*, That the thin wood, so called, comprising the sides, tops, and bottoms of orange and lemon boxes of the growth and manufacture of the United States, exported as orange and lemon box shooks, may be reimported in completed form, filled with oranges and lemons, by the payment of duty at one-half the rate imposed on similar boxes of entirely foreign growth and manufacture."

It seems to this chamber that to impose a duty of 15 per cent ad valorem on boxes or containers of American wood (Maine spruce) returning to the United States filled with oranges and lemons, instead of allowing free entry to such boxes or containers, is placing a tax on American export trade, which should be promoted by such facilities as are not only advisable but equitable.

During fiscal year 1907 the importation of such boxes or containers, made of American wood, into the United States represented a value of \$109,088, upon which a paltry sum of \$16,362 was realized in revenue. By exempting from such duty American shooks returning to the United States under the shape of boxes or containers, the loss to revenue would be insignificant, while an injustice would be removed which now hurts the exportation of American wood.

The boxes of American wood used in importing citrus fruit into this country do not represent by themselves, once emptied of their contents, any actual market value, as they are of no use and usually destroyed, which brings into greater evidence the injustice of subjecting such article to payment of duty.

As the principle of not taxing ordinary containers is recognized by the present tariff under other lines of importation, irrespective of their American or foreign origin, it is a manifest injustice to discriminate in the case of orange and lemon importations by taxing the containers besides the contents, and this chamber therefore recommends on motives of equity and consistency the removal of the present duty on boxes, barrels, and other containers of American wood returned to the United States filled with oranges, lemons, and kindred citrus fruit.

CABINET OR HOUSE FURNITURE.

The present rate of 35 per cent ad valorem on cabinet or house furniture (par. 208), the total importation of which did not exceed in fiscal year 1907 a value of \$1,132,667, in which Italy figures for \$113,851, Austria-Hungary for \$237,982, France for \$284,351, the United Kingdom for \$383,108, appears to this chamber higher than necessary, both as a protective and revenue measure.

As to protection, under this line of manufacture there is hardly any need, because in no other country are the materials used in the making of furniture (wood, metals, varnish, glass, etc.) cheaper or as cheap as in the United States, which exports such materials in large quantities abroad, and gives this country a decided advantage over any of the above stated in this line of manufacture. This advantage is sufficient to compensate any difference in the cost of labor, which is also largely offset in this country by the application of machinery on a wider scale than abroad, enabling American manufacturers, who usually specialize in a given line of production and thus attain a high standard of proficiency, to turn out furniture in far greater quantities and much more cheaply than in foreign countries, where most of the work is still done by hand.

An analysis of the character of the furniture imported from the above-stated countries shows, what is besides already implied by the small entity of the contribution from each singular country, that the imported furniture is represented by specialties, for some of which each of them enjoys a traditional reputation, and which, through one reason or another, are either not manufactured or can not be manufactured in the United States.

It will be seen from the foregoing that not the slightest reason exists for fear of any possible competition to domestic production from the imported article. It appears instead desirable to facilitate the importation of such models and styles of artistic furniture as will enable American manufacturers to improve the style of their makes and to enter new fields of exploitation of the public taste in this line of goods. Hence this chamber recommends a reduction of the present high rates of duty on this line of manufactures.

Respectfully submitted.

ITALIAN CHAMBER OF COMMERCE IN NEW YORK,
E. MARIANI, *Vice-President*.
G. R. SCHROEDER, *Secretary*.

CHAIR CANE OR REEDS.

[Paragraphs 206 and 700.]

**THE AMERICAN RATTAN AND REED MANUFACTURING COMPANY,
BROOKLYN, N. Y., SUGGESTS A NEW CLASSIFICATION FOR RAT-
TANS AND REEDS.**

BROOKLYN, N. Y., *November 18, 1908.*

Chairman Committee on Ways and Means, Washington, D. C.

GENTLEMEN: The writer had intended to appear before your committee on behalf of the rattan industry, but finds that it is impossible for him to do so, and therefore begs to inclose our petition for a

tariff to be imposed, as under the present conditions there is very little relief, if any, afforded to this industry. All of which is respectfully submitted to your valued consideration.

Very truly, yours,

AMERICAN RATTAN AND REED MANUFACTURING CO.,
JOS. SALOMON, *Secretary*.

Chair cane, rattans, and reeds wrought and manufactured from rattans, as embraced in paragraph 206 of the present tariff, and also referring to paragraph 700 of the free list.

The merchandise or product involved is chair cane and reeds, such reeds being originally manufactured from rattan. We would suggest that these items should be taken out of the present paragraph 206 and a new paragraph, for example, 207, be created for these items only, and which would read as follows:

All reeds, manufactured from rattan or reeds, such reeds being originally manufactured from rattan, to be dutiable as follows: Up to and including one-tenth inch diameter, a duty of 15 cents per pound; over one-tenth inch diameter and not exceeding one-fourth inch diameter, a duty of 5 cents per pound; over and above one-fourth inch diameter, a duty of 3½ cents per pound; flat and oval reed, a duty of 10 cents per pound; woven reed, a duty of 20 cents per pound.

Chair cane, as wrought or manufactured from rattans, to be dutiable as follows: Up to and including three-sixteenth inch width, 20 cents per pound; wider than three-sixteenth inch width, 10 cents per pound.

Woven rattan, a duty of 50 cents per pound.

The present tariff, 1897, imposes a duty of 10 per cent on all the above-mentioned items excepting woven reed and woven rattan, which are not enumerated, and besides the above, reeds wrought and manufactured from rattan, and which are one-fourth inch diameter and over are now allowed to come in free of all duty.

It is self-evident that the present tariff affords really no protection to the rattan industry of the United States, but rather seems to encourage the foreign rattan industry, as the foreign product can be placed in this market with hardly any duty whatsoever, and with the enjoyment of very low freight rates, coupled with the cheap German and Chinese labor which the foreign factories enjoy, allow them easily to place their product in this market and undersell us.

If afforded proper relief and protection from this cheap Chinese and German labor and also other conditions which they enjoy and which allow them to place their product in this market and undersell us, we feel confident that the rattan industry in the States will quickly develop into a very important branch of trade.

In the present tariff, paragraph 700 of the free list, as far as it relates to this industry, reads as follows:

Bamboo, rattan, reeds unmanufactured, etc., and other woods not specially provided for in this act, in the rough, or not further advanced than cut into lengths suitable for sticks for umbrellas, parasols, sunshades, whips, fishing rods, or walking canes.

At present and for some time past, "reeds wrought and manufactured from rattan" and which are one-fourth inch diameter and over are allowed to come to this port free of all duty, as it is claimed that this is the class of stock which are "reeds unmanufactured," which is certainly an error and a great injustice to us. We main-

tain that reeds unmanufactured, is a reed which owes its creation to natural growth, and not to any course of manufacture. This is evidenced by sample we hand you marked No. 1. The accepted meaning of the word "reed" is, an aquatic plant or large grass with hollow jointed stems, similar to bamboo species, and which is fully evidenced by sample No. 1.

This rattan reed, which is allowed to come in free of duty, owes its existence in creation by being manufactured from the rattan stick. This rattan stick is subjected to a process of sorting, cleansing, splitting, dressing, etc., which necessitates a considerable amount of hand labor, and when the enamel of the rattan is taken off, the pith of the rattan, or the reed, is the product, as is evidenced by sample No. 2 herewith submitted, and the production of this rattan reed is attended with as much labor and expense, etc., as the production of chair cane, and which chair cane is on the dutiable list.

This paragraph 700 of the free list, as far as it relates to rattan, reeds, etc., is in direct contradiction to paragraph 206, which latter paragraph distinctly reads: "Chair cane or reeds, wrought or manufactured from rattans or reeds, 10 per cent ad valorem." And in opposition to this the authorities allow reeds wrought and manufactured from rattan or reeds from one-fourth inch diameter and upward to come in free, according to what they claim under paragraph of the free list, "Reeds, unmanufactured."

We are confident that you will readily agree with us that this is totally wrong, as paragraph 700 intends raw material of reed nature to be admitted free of duty. Then we would suggest that the words "Reeds, unmanufactured," be expunged from such paragraph, and instead there should be inserted "Natural-growth reed," as we feel that it was not the intent of Congress to allow a manufactured product of this nature to be free of all duty, but simply to apply to a natural growth and raw article.

The importation of raw material into Germany and the Chinese Empire is about five times the quantity that is imported into this country, whereas if this industry was afforded proper protection against this European and Chinese labor we would be enabled to increase this industry considerably and employ many more people.

We know of no country excepting England that would allow us to send these reeds into their dominion that does not have a heavy protective tariff to protect their own industries, especially so Germany, who protect their manufacturers and who ship this stock here almost free of all duty because we allow it; and in Germany they charge a duty at so much per kilo, or on the weight basis, such as we request, and which we consider is the proper way.

We are quite confident that after your committee has thoroughly considered this petition that you will recognize that a proper tariff should be afforded this industry.

We have not entered into any argument regarding the cheap Chinese and German labor which our foreign competitors enjoy, as against the high-priced labor which we are compelled to pay here in America, as we feel that you are fully acquainted with such facts, all of which is respectfully submitted.

We are also inclosing a sample of rattan, raw material, so you will find herewith three samples. Sample No. 1 shows the natural-growth reed. Sample No. 2 shows the reed as manufactured from rattan,

and which is taken from the heart of the rattan stick. Sample No. 3 shows the rattan or raw material in the original state. All of which is respectfully submitted for your valued consideration.

Very truly, yours,

AMERICAN RATTAN AND REED
MANUFACTURING COMPANY,
JAS. SALOMON, *Secretary*.

**P. DERBY & CO., GARDNER, MASS., RECOMMEND AN INCREASE IN
THE DUTY ON CHAIR CANE AND REEDS.**

GARDNER, MASS., *November 19, 1908.*

HON. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: We understand the question of revising the tariff will soon come up for consideration before your committee, and suppose they will consider at that time the tariff on chair cane, rattans, and reeds. We think there should be a duty of at least 33½ per cent ad valorem on cane and reeds, also on manufactured reeds in any form, namely, reed webbing, flat and oval reeds, in order to allow us to compete with the German and Chinese manufacturers of this line. The laws enacted in 1897 practically afford no protection to the manufacturers of the United States, but protect the German and Chinese manufacturers, who are sending in this material in large quantities. We also think that rattans should remain on the free list, as this is the product from which the United States manufacturers obtain cane and reeds.

Yours, respectfully,

P. DERBY & CO.,
PER ARTHUR P. DERBY, *President*.

**THE OTTO GERDAU COMPANY, NEW YORK CITY, ASKS FOR
RETENTION OF PRESENT CLASSIFICATION OF CHAIR CANE,
REEDS, AND WHIP REEDS.**

NEW YORK, *November 30, 1908.*

HON. SERENO E. PAYNE,
Chairman of the Committee on Ways and Means,
Washington, D. C.

DEAR SIR: We heard that Mr. Lang, formerly of the Wakefield Rattan Company, but since their merger with the Heywood Bros. & Co., now of the Heywood Bros. & Wakefield Company, or Mr. Salomon of the American Rattan and Reed Manufacturing Company, intended to appear before you to repeat their former efforts to have the duty increased on chair cane or reeds now covered by paragraph 206, and on whip reeds now covered in the free list by paragraph 700, and therefore asked permission of you to confront them, but as we learned on our visit to Washington on November 20, the day set apart for this article, that they finally decided to address you on the subject in the form of a brief only, we follow your suggestion and do the same.

When the tariff of 1890 was revised, the same effort was made by these gentlemen and their allied interest, and the subject of rattans and reeds was thoroughly looked into by the Committee on Ways and Means of which the then Hon. McKinley was chairman, but the result of its deliberation was that no change was made and chair cane or reeds remained 10 per cent (par. 229) and whip reeds free (par. 756). In hearings before the Committee on Ways and Means, Fifty-first Congress, first session, pages 760-777, you will find the entire testimony on this subject and on the combination then existing in chair cane and reeds.

When the tariff of 1894 was revised, the whole ground was once more gone over and again no change was made. (See pars. 179 and 684.)

On December 31, 1896, these same gentlemen made the ridiculous demand for a specific duty of 5 cents and 10 cents per pound on the several manufactures of rattans and reeds, which as shown by the testimony then rendered would make the duty on some kinds as high as 500 per cent, and the conclusion arrived at was again that the duty on these articles ought not to be advanced beyond the McKinley rate and it was covered by paragraph 206, chair cane or reeds, wrought or manufactured from rattans or reeds, 10 per cent ad valorem; paragraph 700, rattan and reeds unmanufactured or not further advanced than cut into length suitable for whips, free.

We have been told that either Mr. Lang or Mr. Salomon will try to confuse your committee by claiming that there is no difference between manufactured and unmanufactured reeds; that therefore either the above paragraph 206 or paragraph 700 is wrong, and that the different Congresses meant by unmanufactured reeds the reeds growing in this country in swamps.

Such testimony would not lead astray anyone in the trade, but as it may mislead outsiders, we beg to explain that an unmanufactured reed is the round core or residue of rattan after the outer enamel or chair cane has been separated from it by a machine in one operation, thus leaving the reed in its natural round state. When, however, this round reed is worked into other reeds, such as oval, square, flat, half round, etc., it becomes a reed manufactured, or a reed manufactured from a reed, and that all the different Congresses knew very well what they were about and that they meant round whip reeds to be free of duty, because all the American whip manufacturers are absolutely depending upon them for their raw material as per their appeals in the hearings of the Fifty-first Congress, first session, pages 762 and 764, is evidenced by the fact that to the words "Rattan and reeds unmanufactured" were always joined the words "or not further advanced than cut into length suitable for whips," and whip manufacturers do not use such reeds as the rattan combination has several times attempted to make it appear.

On the other hand, chair cane and reeds manufactured are needed by the manufacturers of chairs, baby carriages, harnesses, brooms, hats, demijohns, baskets, etc., as per their testimony rendered in the hearings mentioned above on pages 760-766, and any increase of duty would absolutely prohibit the importation. If furthermore it is considered that these different industries employ thousands of hands, while the manufacture of chair cane and reeds by automatic machinery needs so few hands that the rattan combination, according to

their own testimony in the hearings before the Committee on Ways and Means of the Fifty-first Congress, page 770, employs for that purpose only 100, it is plain that it is not at all a question of protection to American labor, but an effort of a few rattan manufacturers to obtain a monopoly of all the branches into which their products enter, and all manufacturers throughout the United States of whips, chairs, baby carriages, harnesses, brooms, hats, demijohns, baskets, etc., would be at the mercy of the rattan combination.

The labor involved in producing the chair cane is at any rate a most trifling one in any country, because chair cane and reed is simply the rattan split by automatic machinery, and the best proof for the truth of this is furnished by the fact that the rattan combination also exports chair cane to Germany.

The chair cane thus obtained is worked into webbing, as per sample herewith, and it is to this webbing that we wish to draw your particular attention. It is woven entirely by machinery and the cost of weaving it is therefore also trifling. However, this chair-cane webbing is not specially provided for in our present tariff and as in consequence 20 per cent would very likely be levied on it as an unenumerated manufactured article. Not any of it has ever been imported and you will see from inclosed price lists of the associated manufacturers that there is now also a combination existing for this article. [Price lists on file with committee.]

This is a plain statement of facts, which we shall always be pleased to verify on oath and on the stand, and we trust that you will reduce the duty on chair cane or reeds manufactured to 5 per cent, leave rattan and reeds unmanufactured or not further advanced than cut into lengths suitable for whips free, and provide for chair cane or reed webbing at 10 per cent.

Yours, very respectfully,

THE OTTO GERDAU Co.,
OTTO GERDAU, *President*.

THE RATTAN AND CANE COMPANY, OF NEW YORK CITY, PROTESTS AGAINST THE SUGGESTED INCREASE IN DUTIES ON CHAIR CANE AND REEDS.

NEW YORK, *December 3, 1908.*

Hon. SERENO E. PAYNE,

*Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.*

SIR: Replying to the petition of the American Rattan and Reed Manufacturing Company, asking for an increase in the duty on reeds, etc., we beg to say that the tariff changes recommended by said company if incorporated in the proposed new tariff would make the importation of chair cane and reeds absolutely prohibitive and would necessarily stop all importations, thereby giving to the above-named company with about five other manufacturing concerns a monopoly, also depriving the Government of revenue, also at the expense of hundreds of American manufacturers who employ thousands of hands in the manufacture of whips, chairs, baskets, carriages, baby carriages, hats, harness, corsets, and demijohns, etc.

The raw products used by these manufacturers are the so-called rattans and reeds now before your committee.

This industry needs no protection because the manufacturers are all doing a fine and growing business and considered among the trade as being very prosperous; they offer us sharp competition in all lines.

It is a well-known fact that the American Rattan and Reed Manufacturing Company, in addition to their domestic business, have maintained for the past ten years a selling agency at Hamburg, Germany, exporting and selling their products (including chair cane), competing with the so-called cheap German labor, plus the ocean freight and duty assessed by the German customs.

The American manufacturers as a whole are certainly satisfied with the present tariff, otherwise your committee would have heard more than one complaint.

It is also well known that the manipulation of the rattan and reed is done by machines working automatically and does not require skilled labor; in fact the cheapest kind of foreign labor is employed by the said company. The labor employed in all branches of the rattan industry is a very small matter; this, combined with the perfected American machinery, puts them in a position to compete with the world under existing conditions.

The contention made by the American Rattan and Reed Manufacturing Company that paragraph 700 of the present tariff act, as far as it relates to "rattan and reeds," etc., is in direct contradiction to paragraph 206, is absolutely untrue, because paragraph 206 particularly provides for "chair cane or reeds, wrought or manufactured from rattans or reeds, 10 per cent ad valorem," while paragraph 700 provides "rattans and reeds not specially provided for in this act, in the rough, or not further advanced than cut into suitable lengths for sticks for umbrellas, parasols, sunshades, whips, fishing rods, or walking canes, "free." It is well understood by the manufacturers of whips who appeared before your committee in the 1897 tariff hearing that whip reeds would be admitted free of duty; notwithstanding this the said company had the customs authorities assess whip reeds at 10 per cent duty, which question was brought up before the United States court, where it was decided paragraph 700 fully covered whip reeds. These decisions were acquiesced in by the Treasury Department. (See Synopsis, 4949, 11586, 19195.)

The amount of labor necessary to produce reeds is extremely small. It is a simple process of feeding the rattan into machines which automatically split the same, taking off the outside bark, which is called the chair cane; the remainder is the round pith or reed, used as the raw product by various manufacturers, as we said before. We submit sample No. 1, showing a piece of rattan having been put partly through a machine, no other labor being necessary. The statement made by the American Rattan and Reed Manufacturing Company that round reeds require as much labor as chair cane is not true, because nothing whatever is done to the round reed after the chair cane has been taken from the rattan, but the chair cane has to be shaved by another machine and bleached as per sample No. 2, submitted herewith.

While we import chair cane and reeds we manufacture reed and chair cane or cane webbing in this country. Being nonenumerated articles, they would be assessed at 20 per cent ad valorem. We, however, make no plea on these articles one way or another, because nothing is imported, but if your committee wishes to reduce the duty to 10 or 15 per cent we think we should be sufficiently protected.

The following comparison will clearly show the absurdity of the contention made by the American Rattan and Reed Manufacturing Company:

Round reeds up to one-tenth inch diameter, now paying 10 per cent, at 15 cents per pound would equal 43 to 60 per cent.

Round reeds, from one-tenth to one-fourth inch diameter, now paying 10 per cent, at 5 cents per pound would equal 25 to 59 per cent.

Whip reeds over one-fourth inch diameter, now free, at 3½ cents per pound would equal 33 to 44 per cent.

Flat reeds, now paying 10 per cent, at 10 cents per pound would equal 71 per cent.

Oval, prime quality, now paying 10 per cent, at 10 cents per pound would equal 95 per cent.

Ovals, second quality, now paying 10 per cent, at 10 cents per pound would equal 133 per cent.

Chair cane up to three-sixteenths inch wide, now paying 10 per cent, at 20 cents per pound would equal 66 to 300 per cent.

Chair cane wider than three-sixteenths inch, now paying 10 per cent, at 10 cents per pound would equal 731 per cent.

Reed webbing, not enumerated, paying 20 per cent, at 20 cents, 66 per cent.

Chair-cane webbing, not enumerated, paying 20 per cent, at 50 cents, 66 per cent.

Your committee will see from the above figures that if you concur in the demands of the American Rattan and Reed Manufacturing Company the duty would be prohibitive. The change asked for would be protection with a vengeance, particularly if you consider the goods in question to be practically a raw product. In conclusion, we beg to call your attention to the claim made by domestic manufacturers at former tariff hearings that the importation of chair cane and reeds from China with cheap Chinese labor was a great drawback to the American industry. We beg to say that this statement is not founded on facts; on the contrary, chair cane is not imported from China at all, and the only reeds imported from China are small lots of a very inferior grade, made by hand, and used principally in this country in the manufacture of brooms. We do not import or handle the China product whatsoever.

We would suggest, therefore, that whip reeds, as heretofore, be particularly and specially provided for under the new tariff act free of duty, and that all other reeds or chair cane manufactured from rattan or reeds be reduced to 5 per cent ad valorem, as provided for in paragraph 206 in the present act.

Respectfully submitted.

RATTAN AND CANE COMPANY,
FOPPES & WANRECKE, *Proprietors.*

THE WHIP MANUFACTURERS OF THE UNITED STATES OPPOSE THE IMPOSITION OF DUTY ON WHIP REEDS.

WESTFIELD, MASS., *December 7, 1908.*

HON. SERENO E. PAYNE,

*Chairman of the Committee on Ways and Means,
Washington, D. C.*

DEAR SIR: We, the whip manufacturers of the United States, desire to enter our strongest protest against the proposition presented to your honorable committee by certain reed manufacturers of the United States to have a duty placed on whip reeds and rattan, making it

appear to you that we use in the manufacture of our goods swamp reeds, which is positively not true, and it would not be possible to use them in our business. Rattan and reed are the principal products used in the manufacture of whips; in fact, are the base which have to be used on all of the whips, and with a duty placed upon them it would cause us a great hardship and a loss in the manufacture of our goods, and would place us where we would not be in a position to compete with the foreign markets, which have all of the latest improved whip machinery with which to manufacture our goods. With the handicap that we have had in our business in the last few years on account of bicycles, electric cars, and automobiles under which we have struggled it would simply be disaster to go at this day and place a tariff on our principal raw material.

We therefore urgently request of you to leave whip reeds in the free list, provided for as heretofore (rattan and reeds unmanufactured or not further advanced than cut into lengths suitable for whips), and are,

Yours, very respectfully,

New England Whip Company, D. F. Doherty, Treasurer; United States Whip Company, Geo. E. Whipple, President; Independent Whip Company, H. E. Cowles, Vice-President; H. M. Van Deusen Whip Company; Horse Whip Company, Chas. J. Bradley, Treasurer; F. P. Couse & Son; L. H. Beals & Son, L. H. Beals, President; C. A. Hastings, Tyler, Superintendent; Steimer & Moore Whip Company, L. W. Steimer, President; A. J. Cook Whip Company, A. J. Cook, Proprietor; Standard Whip Company, J. C. McCarthy, President.

**EDWARD BENNÈCHE & BRO., NEW YORK CITY, URGE THAT
THERE BE NO INCREASE IN DUTY ON RATTAN AND REEDS.**

NEW YORK, *December 18, 1908.*

HON. SERENO E. PAYNE,

*Chairman Committee on Ways and Means,
House of Representatives.*

SIR: As we understand, the American Rattan and Reed Manufacturing Company, of Brooklyn, and the Heywood Brothers & Wakefield Company, of Gardner, Mass., are applying to your honorable body for a considerable increase of the duty on reeds cut from rattan, covered by paragraphs 206 and 700 of the present tariff.

Being largely interested in the importation of this article, we beg to protest against any such increase of duty, for the following reasons:

The article in question in its crude state is rattan, which comes from Singapore, the Dutch East Indies, etc. From this rattan, by a simple process and at one cut, the bark is split off, which bark makes the chair cane, nearly all of which is manufactured in this country, but what little comes from Germany pays a duty of 10 per cent ad valorem. This rate of duty, in our opinion, is correct and should not be altered.

The material left after the bark has been stripped off is, in the trade, called "reed," which now pays a duty of 10 per cent ad valorem for sizes up to and including $6\frac{1}{2}$ millimeters (see par. 206), and is free of duty for sizes from 7 millimeters up, as being suitable for whips (see par. 700). Any reed recut into flat, oval, split reed, and the like pays 10 per cent.

We are decidedly of the opinion that the present duty is correct and that no change should be made.

The increase in duty asked for by the above two firms, viz, 5 to 10 cents per pound weight, is simply ridiculous, as it would mean on some of the articles involved a duty of 100 per cent and more; but any increase, however small, would be entirely out of place, as its effect would only be to enrich these two firms, with a few workmen employed for the specific work of cutting rattan, at the expense of the many manufacturers of whips, reed chairs, baby carriages, reed furniture, etc., their millions of capital, and their thousands of workmen depending for their living upon the importation of this crude or semicrude material at a reasonable rate of duty.

In cutting rattan the yield of chair cane is about two-thirds of the value of the manufactured articles, consequently no factory can afford to cut more rattan than it can sell chair cane. At present the American factories are cutting all the chair cane needed in this country, the importation of German chair cane, owing to its poor quality, being exceedingly light. This practically gives to the American factories a monopoly of the trade in chair cane, or, in other words, of already two-thirds of the value of the manufactured rattan product.

A claim for protection of their industry on part of the two above applicants is entirely out of place, since within the last ten years, and probably a good deal longer, they have met with a wonderful financial success. Within the last four or five years they had, as we are informed, an understanding to hold up the price of chair cane at a figure which must have left them a profit not far from 100 per cent. All this without danger from foreign competition, since chair cane made abroad is an article of inferior quality, which can be used to a very small extent only for American purposes, the demand for same in fact being so light that we do not think it worth our while to handle it.

The effect of a high duty, such as asked for, would simply be this: The American Rattan and Reed Manufacturing Company would go on cutting as much reed as their sale of chair cane would permit, and would thus be able to supply only a small percentage of the reed goods manufacturers with reed, say 10 to 15 per cent, while the Heywood Brothers & Wakefield Company would cut just enough reed for their own manufacturing, and thus 85 to 90 per cent of the present manufacturers of reed goods, with all their invested large capital and their thousands of workmen, would be driven out of the business.

Thus a higher rate of duty would benefit only these two parties to the detriment of the trade in general, while new factories for the cutting of rattan can not be started, because already as much chair cane is being cut in this country as can be used. Consequently there will not be sufficient reed to supply the other manufacturers of reed goods, unless same is imported and allowed to come in at the present reasonable rate of duty.

The Heywood Brothers & Wakefield Company are not only cutters of rattan, which means manufacturers of chair cane and reed, but they are principally manufacturers of reed goods such as reed chairs, baby carriages, and reed furniture. Thus of course it would be a great gain for them, by means of an excessive duty, to drive all other manufacturers of reed goods out of the market. We inclose a list of some of the other manufacturers of reed goods in different parts of the country; and if you will take the trouble to inquire of them, you will no doubt find that they find our views correct and that they will urge you to accept them and to decline to increase the present rate of duty even to the smallest extent. As stated above, they are with their business, their capital, and their thousands of workmen dependent upon a supply of reed, which can be brought into this country at a rate of duty not exceeding the present rate.

Respectfully submitted.

EDWARD BENNÈCHE & BRO., *Importers.*

EXHIBIT A.

Manufacturers of reed chairs, baby carriages, and reed furniture.

American Baby Carriage Company, Minneapolis, Minn.
Bay State Chair Company, New Bedford, Mass.
Bishop & Dickinson, Baldwinsville, Mass.
Canada Furniture Manufacturers (Limited), Toronto, Ontario, Canada.
Capital Rattan Company, Indianapolis, Ind.
Carriage and Toy Company, Baltimore, Md.
P. Derby & Co., Gardner, Mass.
J. A. Dickerman, Gardner, Mass.
Durfee Embalming Fluid Company, Grand Rapids, Mich.
John A. Dunn Company, Gardner, Mass.
A. Eggers & Sons, St. Louis, Mo.
Garton Toy Company, Sheboygan, Mich.
Garrett Go Cart Company, Chicago, Ill.
Gendron Wheel Company, Toledo, Ohio.
Germania Basket Company, New York.
Gendron Manufacturing Company, Toronto, Ontario, Canada.
C. H. Hartshorn, Gardner, Mass.
Hechinger Brothers & Co., Baltimore, Md.
Imperial Rattan Company (Limited), Walkerville, Ontario, Canada.
W. L. Jackson, Baltimore, Md.
Jacob Kaiser Manufacturing Company, St. Louis, Mo.
Kelly Brothers, Gardner, Mass.
Kinley Manufacturing Company, Chicago, Ill.
Michigan Buggy Company, Kalamazoo, Mich.
Murphy Chair Company, Detroit, Mich.
National Carriage and Reed Company, Cincinnati, Ohio.
New England Reed Company, Boston, Mass.
Newburgh Reed Company, Newburgh, N. Y.
Omaha Reed and Rattan Manufacturing Company, Omaha, Nebr.
E. F. Pahl & Co., Milwaukee, Wis.
F. Parthier, Chicago, Ill.
Pioneer Manufacturing Company, Detroit, Mich.
Philadelphia Baby Carriage Factory, Philadelphia, Pa.
Rattan Manufacturing Company, New Haven, Conn.
L. B. Ramsdell Company, Gardner, Mass.
Rich Brothers, Baltimore, Md.
St. Louis Rattan Company, St. Louis, Mo.
South Bend Toy Manufacturing Company, South Bend, Ind.

H. N. Thayer & Son, Erie, Pa.
 Gero. W. Travers, East Templeton, Mass.
 Peter A. Wagner, Philadelphia, Pa.
 F. A. Whitney Carriage Company, Leominster, Mass.
 W. F. Whitney & Co., South Ashburnham, Mass.

Manufacturers of whips.

American Whip Company, Westfield, Mass.
 E. L. Beals & Son, Westfield, Mass.
 Cargill, Cleveland & Co., Westfield, Mass.
 Davis Whip Company, Tippecanoe City, Ohio.
 Horse Whip Company, Springfield, Mass.
 Tipp Whip Company, Tippecanoe City, Ohio.
 United States Whip Company, Westfield, Mass.
 H. M. Van Deusen Whip Company, Westfield, Mass.
 Independent Whip Company, Westfield, Mass.
 Wells Whip Company, Wellsville, Pa.

**THE FISCHER CHAIR COMPANY, TELL CITY, IND., THINKS CHAIR
 CANE SHOULD BE PUT ON FREE LIST.**

TELL CITY, IND., *January 4, 1909.*

WAYS AND MEANS COMMITTEE,
House of Representatives, Washington, D. C.

GENTLEMEN: Although I have not been requested to give my ideas about matters concerning our industry, still I feel that it is a matter of right and justice that your honorable body in framing the new tariff law should take into consideration the requests made by manufacturers. I am engaged in the exclusive manufacture of double cane chairs, and the chair cane that we use is most of it imported; in fact, the raw material is all raised abroad.

If I have the right idea of tariff, it was originally intended to protect the infant industries and there was to be some limit to this protection.

I am a Republican, but I believe that manufacturers are not to be hampered by a duty placed on any material necessary in manufacturing their goods. I am not asking any tariff on the finished chairs. As far as my firm is concerned we would be willing to have the manufactured chairs placed on the free list.

A 10 per cent ad valorem tax on chair cane is an unnecessary burden and a tax to our institution, and this tax ought to be repealed and the chair cane placed on the free list.

Trusting that you will give this your earnest consideration, I remain,

Yours, very truly,

THE FISCHER CHAIR COMPANY,
Manufacturers of Cane and Splint Bottom Chairs,
 By ADOLPH ZUELLY, *President.*

**THE CHAIR MAKERS' UNION, TELL CITY, IND., URGES REMOVAL
OF ALL DUTY FROM CHAIR CANE.**

TELL CITY, IND., *January 2, 1908.*

WAYS AND MEANS COMMITTEE,

House of Representatives, Washington, D. C.

GENTLEMEN: From the daily press we have seen that you have had hearings on the question of tariff taxation, and we wish to call your attention to the tariff on chair cane and reeds. None of this is produced in this country, but is all imported. Some of it is imported in the raw material and then manufactured. There is no tariff on the raw material, and it is therefore imported, but only to a very small extent.

The provision for the unmanufactured rattan and reeds is in paragraph 700 of the present tariff law. That for the manufactured chair cane and reeds is paragraph 206; an ad valorem of 10 per cent is charged on this.

We are the largest double cane manufacturers in the United States, and we believe in the world, and we feel that this 10 per cent ad valorem duty on chair cane is an unnecessary and unjust burden to our industry. We do not ask any protection whatever for our products; all we ask is that no extra burden be imposed upon the material that is used by us in the manufacture of our chairs, and we kindly ask you to add item No. 206 to the free list, or make a very material deduction in the same. Our honest opinion is that it ought to be on the free list.

If there is any further information desired, we will be glad to give it.

Respectfully, yours,

CHAIR MAKERS' UNION,
By JACOB ZOERCHER, *Secretary.*

REED LATHING.

**R. H. SAWYER, OF MALDEN, MASS., ASKS FOR PROTECTION FOR
LATHING MADE OF REEDS AND WIRE.**

THURSDAY, *November 19, 1908.*

Mr. SAWYER. I am here representing the Goodall Matting Company, of Kennebunk, Me., who weave matting for floors. The Agricultural Department within the last year or more has been trying to get us interested in the manufacture of a reed lathing, the reed that grows in the swamps in different places, about as large as your finger. To weave this into matting that can be nailed on the wall in place of wooden laths is the object. This is done in Germany and Sweden to a great extent. I have a sample here. It is at the instigation of the Agricultural Department that we are trying this experiment. I will now exhibit to you a sample of the proposed lathing.

The CHAIRMAN. That is to take the place of wire lath?

Mr. SAWYER. The ordinary wooden lath or wire lath, either one; yes, sir.

This will cost less and will use up some of the waste land products, as may be determined from this photograph showing how it grows,

The CHAIRMAN. Has this been tested?

Mr. SAWYER. Yes, sir; and has been used for hundreds of years in England, Sweden, and Germany to a large extent.

The CHAIRMAN. Tell us, if you have gone so long without protection, why you need it now?

Mr. SAWYER. It has never been made in this country. The lathings they make in Sweden and in Germany would never be used in this country. We have taken pains to have some imported through our ministers or consuls in Germany and Sweden, and it is so open our masons would not use it. We have been working on the matter about a year, and we have invented a machine that will make it as you see it before you now.

Mr. DALZELL. That will keep better than wooden laths?

Mr. SAWYER. Yes, sir; taking the place of wooden laths on the wall.

Mr. CLARK. Is it cheaper?

Mr. SAWYER. Yes, sir.

Mr. DALZELL. Where does this cane come from?

Mr. SAWYER. This came from on the Patuxent River, Maryland.

The CHAIRMAN. Could this be imported?

Mr. SAWYER. Yes, sir.

The CHAIRMAN. Is there any of this imported now?

Mr. SAWYER. No, sir.

The CHAIRMAN. There never has been?

Mr. SAWYER. No, sir; there never has been.

The CHAIRMAN. How long have you been making this?

Mr. SAWYER. We have not made any yet, except sample lots of a few yards.

The CHAIRMAN. It never has been made in this country?

Mr. SAWYER. No, sir.

The CHAIRMAN. Where did you say they made it so long?

Mr. SAWYER. In Germany and Sweden.

The CHAIRMAN. And they did not even bring it into this country when there was none made here?

Mr. SAWYER. No, sir. We would not use the reed matting they make.

Mr. DALZELL. You say you would not use theirs?

Mr. SAWYER. No, sir.

Mr. DALZELL. Then why do you need any protection?

Mr. SAWYER. Because as soon as we commence to make this, and they see how good it is, they will copy our machines and make it over there and bring it in.

The CHAIRMAN. How much does it cost a square yard?

Mr. SAWYER. About $6\frac{1}{2}$ cents a square yard.

Mr. CLARK. Referring to the material out of which that is made, where can it be grown in the United States?

Mr. SAWYER. It is grown in almost all the fresh-water rivers and swamps. Great areas of it you can see on almost all the rivers as far north as Winnipeg.

Mr. CLARK. How far south?

Mr. SAWYER. As far south as New Orleans.

Mr. CLARK. It would not grow in the Central West?

Mr. SAWYER. Yes, sir. One of the largest fields we now know of is at Sandusky, Ohio. The Agricultural Department is now exploring to locate the large areas of this reed.

Mr. CLARK. Do you have to raise it?

Mr. SAWYER. No, sir; it grows naturally. It grows on swamp and river banks.

Mr. RANDELL. Is it what you call canebrakes?

Mr. SAWYER. No, sir. The name of it is *Phragmites communis*.

Mr. DALZELL. When cut down does it reproduce itself?

Mr. SAWYER. Yes, sir. When it is cut down it comes up the next year just the same; burn it over and it comes up next year from roots.

The CHAIRMAN. How much do you have invested in a plant?

Mr. SAWYER. One loom would probably cost \$200, and we want to run 100 looms. There was something like \$19,000,000 paid out for laths in 1906.

The CHAIRMAN. How much could a loom costing \$200 make in a day?

Mr. SAWYER. We could make 100 yards in a day on a loom.

The CHAIRMAN. How many people are required to run the loom?

Mr. SAWYER. Two—two girls.

The CHAIRMAN. Does this loom have to be run by men or women?

Mr. SAWYER. There have to be some men around the mills, but girls could feed it into the loom.

The CHAIRMAN. It is a pretty bulky article for freight.

Mr. SAWYER. Yes, sir; but very light—bulky, but light. This matting can be put on with 45 per cent less nails, and can be plastered, by the experiments carried on under the Agricultural Department, with 11 per cent less plaster, and obtain the same result as you would from ordinary laths. Some masons say 25 per cent less plaster than on laths.

Mr. CLARK. Has anybody ever tried it long enough to know whether plaster would stick on any length of time?

Mr. SAWYER. A building in London that had been plastered nearly two hundred years ago was being repaired—that is, the plastering was taken off—and the reed lathing was so good under it that they immediately replastered over it.

Mr. CLARK. If that is true and they can plaster in London with this European matting—

Mr. SAWYER. Not matting. They use reeds that they have been putting on without weaving as long ago as that. The first machine to make this matting was patented in Germany in 1883.

Mr. CLARK. If these Germans and Englishmen and the rest of them use this stuff as it is made over there, what is the reason our plasterers will not use it, too?

Mr. SAWYER. It is not good enough for us. It is too poor—open and slimy.

Mr. DALZELL. Will it make a solid wall on studding 16 inches apart?

Mr. SAWYER. Yes, sir. Those wires are 8 inches apart, and every 16 inches you will nail right through the wires.

Mr. DALZELL. The same as you would lath?

Mr. SAWYER. Yes, sir; and it makes a good lathing. The strength has been thoroughly tested, and it is plenty strong enough.

Mr. CLARK. How does it compare with lath in cost?

Mr. SAWYER. In cost?

Mr. CLARK. Yes.

Mr. SAWYER. Laths will cost 8 cents, where this costs 6½ cents to make. We shall probably sell this for 8 cents, against laths at 10 cents.

Mr. CLARK. If you had a tariff on, you would put it at 10 cents?

Mr. SAWYER. No, sir. We want to use that product which is now thrown away and of no use. It belongs to the farmers, and it costs them nothing except the gathering of it. If we can use it, they can sell it to us. If we can not use it, I do not know what they will do with it. They never have done anything with it. I do not know that they ever can do anything with it.

The CHAIRMAN. What is it called in the commercial world?

Mr. SAWYER. That is called *Phragmites communis* reed.

Mr. DALZELL. What do you call this product?

Mr. SAWYER. We shall call that reed lathing.

Mr. DALZELL. And what duty do you want on it?

Mr. SAWYER. We want 3 cents a square yard. In other words, it is a new product and a new industry, and we want it listed; we want a specific duty put on it, not an ad valorem, but so much a square yard, because everybody knows what a square yard is. We want a duty of 3 cents a square yard. That is no more than the duty assessed on Chinese matting, that costs 5 or 6 cents to make, or even 3 cents. That matting, coming to this country from Japan or from China, pays 3 cents a yard duty if it costs less than 10 cents a square yard. This costs less than 10 cents a yard. We ask that this be put on the same basis, of 3 cents a square yard.

Mr. DALZELL. Is this made at Kennebunk, Me.?

Mr. SAWYER. No, sir.

Mr. DALZELL. Is that where you propose to have your factory?

Mr. SAWYER. It is where we propose to have one of them, but in order to make it cheap enough and enable us to sell it we shall have to put our factories where the reeds grow. In other words, there is a large area near Sandusky, Ohio, and we shall have to put a mill there.

Mr. DALZELL. Does not this grow along the Kennebec River?

Mr. SAWYER. No, sir; not at all. The nearest we know of is near Washington. I was down yesterday and contracted for the first carload of the reeds that ever was cut, and I contracted for a thousand bundles for \$100. I could not quite make the man see that he could do it for that, so I said, "Get out a thousand bundles," and I left the \$100 there with another party. I said to him, "If it costs you more than that to get it out, I will pay the difference."

I think that is all I have to say, and I am very much obliged to you.

WILLOWS.

[Paragraph 206.]

LIVERPOOL, N. Y., PRODUCERS OF WILLOWS URGE AN INCREASE OF DUTY ON WILLOWS AND OSIERS.

LIVERPOOL, N. Y., November 16, 1908.

HON. SERENO E. PAYNE, M. C.,

*Chairman of Ways and Means Committee,
House of Representatives, Washington, D. C.*

DEAR SIR: In this inclosure we present our plea for better conditions in regard to the tariff on willow baskets than we are now enjoying. (?)

Will you permit us to remind you, Mr. Payne, that as a neighbor of ours you are largely interested in the willow industry directly and the basket business indirectly. More baskets are made in Liverpool than anywhere else in the country. Probably one-third of our supply of willows comes from Wayne County. You may recognize as among your constituents the names of William Facer, Henry Kaiser, C. G. Blaine, Mrs. L. C. Parshall, Mrs. Williams, Dewitt C. Parshall, Henry Folkey, John A. Holmes, August Hill, and E. L. Gilbert, of Lyons; R. R. Barnes, Nicolas Desanto, and H. E. Exner, of Clyde; H. E. Farmer, Peter Van Ditto, and Mrs. Andrew Shelter, of Port Byron. There are, of course, others.

All of these parties are willow growers, and without question would appreciate what you would do for them in the way of helping to protect one of the products of your district. Willows will adapt themselves to low and otherwise unproductive land. There is a lot of low land in old Wayne that can grow willows if it pays. If this is not a struggling industry, what is?

We make a personal appeal to you, Mr. Payne, to help us out in this matter and at the same time do a good service to your own home district. Mr. Driscoll can not be there personally, but he is strongly with us in this matter.

With great respect, we are, yours, very truly,

A. H. CRAWFORD,
FRED. WYKER,
E. V. AIKEN,
THOS. METCALFE,

Committee of the Business Men's Association.

**SUPPLEMENTAL STATEMENT RELATIVE TO WILLOW INDUSTRY
SUBMITTED BY COMMITTEE OF BUSINESS MEN'S ASSOCIATION,
LIVERPOOL, N. Y.**

LIVERPOOL, N. Y., *December 4, 1908.*

*The Ways and Means Committee,
House of Representatives, Washington, D. C.*

HONORABLE GENTLEMEN: Not being able to send a personal representative to present our case before you when willows and willow baskets are reached by you in the schedule on November 20, we desire, respectfully, to submit the following:

This industry was started in this country about fifty years ago, but has never been adequately protected. Proof that it is a struggling industry is that at this date only about 1 square mile, altogether, is now producing willows in this entire country, although no soil or climate in the world is better adapted than our own for its culture. No better workmen can be found in any country than ours. We make the best goods in the world, except in the fancy lines, and with proper protection we could successfully compete in those.

In spite of these favorable circumstances, there were imported into this country for the year 1907 about \$185,000 worth of willow baskets and about \$35,000 worth of willows. Please verify these figures by the Bureau of Forestry, Department of Agriculture, Washington,

D. C. At the fictitious valuation (see explanation further on) of about one-third their real value this would make the real value of these imports about \$660,000.

About 2,000 tons of domestic willows are annually worked up in this country. When manufactured into baskets this would represent about \$160,000 worth at jobbers' prices. We have then \$660,000 worth imported, as against \$160,000 worth of the domestic production, or about as four to one. In other words, we are having about one-fifth of our home market.

The cause of this difference is not crop failure nor business depression, as our production and prices for 1907 were about the same as for 1906 and former years. The prime cause is that our fence is too low.

As this business is conducted in this country, the sets are stuck in the ground by hand, cultivated by horse, and hoed by hand. No harvester can touch a crop of willows. Every reed must be cut by hand, bundled, steamed, stripped of bark, and made into baskets entirely by hand. There is not a turn of a wheel from field to consumer. Many attempts have been made to introduce machinery, especially in taking off the bark, and even in making the baskets, but none so far have been anything more than costly experiments. At present it seems to be inevitable than this industry must remain a handicraft in every sense of the word.

These things being true, how can American workmen compete with the foreign maker who earns from 25 to 38 cents a day and who won't or can't come over here and help support American institutions, but seeks only our markets? An ordinary workman with us at the skilled trade of willow clothes basket making, earns in ten hours 90 cents to a dollar a day. If, then, as both political parties claim, the tariff should represent the difference in wages between the foreign and the domestic workman, we claim decidedly that there is something coming to us in the matter of a raise in duties on willows and baskets.

Last year the willow stripper of this country received \$10 to \$12 a ton. This year \$8 to \$9. This work is done by men, women, and children, can be done indoors, and in the winter; but the man who does the heavy parts of the work does well to make 40 or 50 cents in ten hours. The others in proportion. How can an American citizen work for such wages and retain his self-respect, let alone pay rent and live?

Domestic willows brought last year \$25 a ton when cut and delivered at the cars green. This year they were \$20. The freight, the steaming (\$1.50 a ton), and the stripping and drying (\$12 a ton) makes, say, \$38.50 a ton. One ton of green willows will yield about 700 pounds of stripped dried rods ready for the basket. This figures about 5½ cents a pound for the willow prepared for basket making.

If we ship to other cities for a market \$1 to \$2 per ton more must be added for better binding and packing. We find then that the true raw material costs \$20 a ton against 5½ to 6 cents a pound, or \$100 to \$120 a ton, for the dried willows. Why are not these a manufacture and as such entitled to the same protection as other manufactured articles? Foreign willows were sold last year for 3½ to 6½ cents a pound. We respectfully ask your careful consideration of this question.

By some arrangement we understand whereby the President is allowed to make emergency treaties with other countries; willows and baskets have been made a scapegoat to make good for threatened boycott in meats or something else. Importers are allowed to make their own valuation in willows and baskets. Baskets and willows have been imported at an appraisal as low as one-third the amount they are actually sold for on this side. The exporters, by the way, are usually American importers or their traveling agents.

The Government, through the Agricultural Department, is helping us in all ways possible. The Bureau of Forestry connected with the Department can give information probably that you may require which we have not here given.

We respectfully ask that you grant us:

First. An increase in duty on manufactured articles to 60 instead of 40 per cent as now.

Second. An increase in duty on peeled willow, now perhaps called raw material, to 50 instead of 20 per cent as now.

Third. An appraisal at full value on this side.

We protest in the strongest terms against the appraisal of these goods at a fraction of their value by the exporter or the importer.

We earnestly urge your careful consideration of the statements and requests herein set forth.

With great respect, we are, yours, truly,

A. H. CRAWFORD,
FRED WYKER,
E. V. AIKEN,
THOS. METCALFE,

Committee of the Business Men's Association.

WILLOW GROWERS AND BASKET MAKERS OF BURLINGTON, IOWA, CLAIM THAT WILLOW AND OSIERS NEED HIGHER DUTY.

BURLINGTON, IOWA, *November 20, 1908.*

WAYS AND MEANS COMMITTEE,

House of Representatives, Washington, D. C.

HONORABLE GENTLEMEN: As we are unable to send a personal representative to present our case before you, when the tariff on willow ware is reached by you we desire respectfully to submit the following:

The willow ware industry was started in this country about fifty years ago, but as it has never been properly protected against the product of the cheap labor of Europe it has languished instead of having grown with the country. No soil or climate is better for the production of willows than ours; thousands of acres of lowland can be made to yield a crop, if properly protected. No better workmen can be found in any country than ours; but these workmen, coming almost in direct competition with the cheap labor of Europe, can not earn a fair day's wages.

The quality of American willow ware is equal to the best foreign makes, but on account of the high cost of labor only a very limited quantity can be sold in competition with the imported article, because

the European basket maker works for from 25 to 35 cents per day. Culture of willows, as well as production of baskets, is hand labor. The present duty is entirely inadequate to protect the American workman, or to make up the difference in the cost of wages. Furthermore, importers who secure their supply through their own branch houses or agents in Europe make practically their own valuation on imports, and these are often only one-third of the original price, cutting the actual duty down to a very insignificant sum.

There were imported into this country in 1907 about \$220,000 worth of willows and baskets. Multiply this by three and you have an actual importation of \$660,000. Add to this the cost of freight and duty and the sum will approximate closely to \$1,000,000. Altogether about 2,000 tons of American willows were worked into baskets, worth at jobbers' prices \$160,000. Compare these figures with the American selling price of the imported article and you can see at a glance that our industry is suffering under the burden of the imported ware, and that with the right kind of protection there is a chance for a large expansion.

The general demand for willow ware in this country is growing; the population is increasing every year, while our industry has for years been stationary; in some sections of the country it has even gone backward; this applies especially to willow culture. The Bureau of Forestry will confirm this. Give us an import duty that will enable the American willow worker to earn American wages and the thousand and one beautiful articles that are made out of willows and which are now being imported will be made in our country, giving pleasant and profitable employment to the American workman—the best on earth—if he is given a chance to earn living wages. Give us a real protection duty on willows and thousands of acres of lowlands that are almost worthless now can be made to yield a crop which will considerably increase the natural wealth of this country. Ours is an infant industry in the fullest sense of the words. With proper protection it can be increased tenfold within a very few years, but as practically all the labor from the planting of the seed is hand labor it needs a high duty to protect it against the pauper labor of Europe.

The Government, through the Department of Forestry, is helping us in all ways possible. The Bureau of Forestry can give you any desired information regarding willow culture; also the willow-ware industry, as they have recently made a very thorough investigation.

What we need is:

First. A duty on manufactured willow baskets and willow ware made wholly or in part of willows of 60 per cent.

Second. A duty on peeled or white willows, called raw material, of 50 per cent.

Third. An appraisal at full value on this side.

We object strongly to have the importer put his appraisal on his own importation through his foreign agent.

This matter is of the utmost importance to a very large number of struggling basket makers all over the country. The duty suggested would put new life into our industry, keep a large sum of money at home where it belongs, and bring many skilled basket makers over

from Europe; it will build up an industry that will be a credit to this country.

Hoping you will give this your careful consideration, we remain,
Respectfully, yours,

E. A. FLORANG,
J. H. SCHIER,
ARTHUR SCHWERIN,
O. E. FLORANG,

Willow Growers and Basket Makers.

**CHESTER G. BLAINE, LYONS, N. Y., THINKS DUTIES SHOULD BE
DOUBLED ON GREEN WILLOWS AND WILLOW BASKETS.**

LYONS, N. Y., *December 13, 1908.*

HON. SERENO E. PAYNE, M. C.,
Washington, D. C.

DEAR SIR: As one of your constituents who is pecuniarily interested in the willow and basket industry of this country, I ask you to do what you can for us in the coming revision of the tariff. The import duty on peeled willows now is 25 per cent ad valorem. On willow baskets it is 40 per cent. The peeled willow is not strictly raw material. It is a manufacture worth five to six times what the true raw material—green, unpeeled willows—is worth. These manufactured articles—peeled willows and baskets—should both have a higher tariff on them. More than that, present conditions should be changed. By some arrangement, legitimate or otherwise, the exporter, who is really the importer's agent often, or even the importer himself, has power to fix his own valuation. This valuation is nominal and in effect lets them in about free. That is as we understand it.

No machinery is used either in the production of willows or the manufacture of baskets. We are therefore competing with foreign labor at about 25 cents a day. Hardly in the whole list of American industries will you find so aggravated an instance. Foreign goods are flooding the American markets and are sold at the very doors of our little shops. We can raise just as good willows as any country in the world, but we never can get strongly established in the culture of the basket willow and the basket industry under present conditions. Two-thirds of the willows and baskets used in this country are imported. We have only one-third of our home market. Yet it can not be said that our goods are inferior. In fact, they are better. Two thousand to twenty-five hundred tons of willows are raised yearly in this country on an area of, say, 7,000 acres, about 10 square miles. Surely this is an infant industry if there are any. Yet we have millions of acres of low waste land well adapted for willow growing.

The Government is making extensive experiments in our behalf. With that and a favorable tariff we can hope to make it a great industry.

Under existing conditions we are compelled to pay from \$7 to \$10 per ton to get our willows cut, and it costs about another dollar to get them loaded on the cars for shipment. The grower the past year

has been paid \$16 per ton for the green willows. From 2 to 4 tons may be grown on an acre, and after paying expense of cultivation during the summer season there is scarcely a dollar per ton left for the grower.

If the tariff were doubled on green willows and all manufactured baskets, then there would be a demand for homemade baskets and the wholesaler would get better prices. If the wholesaler got better prices, then he could pay better prices to the basket maker for his goods. If the basket maker got better prices for his goods and his labor, then he could pay better prices for the green material and peeled willows. Thus you can readily see who will be benefited by increasing the present tariff on both green and raw materials and on the manufactured article. As a grower (having over 40 acres now producing salable willows) I am particularly interested in seeing the tariff raised to a point where we can be protected and where we can realize something from the crops over and above the actual expense of production. The Government has had men here to see us the past year, who have made many valuable suggestions in relation to the industry, but unless we can get protection it can never rise to a point where it can command the attention of any very great number of people.

Your interest and aid in the matter is most earnestly solicited.

Very truly, yours,

CHESTER G. BLAINE.

**MISS S. E. BENNETT, LYONS, N. Y., A GROWER OF WILLOWS,
STATES THAT PROTECTION IS NEEDED FROM CHEAP-GROWN
FOREIGN PRODUCTS.**

LYONS, N. Y., *December 30, 1908.*

HON. S. E. PAYNE.

DEAR SIR: As the tariff is being revised, I take the liberty of writing you in reference to basket willows. I am a willow grower, having one of the best, if not the best, lot of willows in this section, the true Oseir willows, grown on deep muck land, which produces willows of the best quality.

Now we are obliged to compete with foreign-grown willows, for they send into this country their baskets by the shipload, without handles, and they come in as raw material—are sold far below what willows can be grown and baskets made for in this country.

It is said that one St. Louis firm imports yearly over \$1,000,000 worth of willow baskets. Cayuga, Seneca, and Wayne counties can grow willows enough to supply the whole country with baskets if we could have a protective tariff that would keep out foreign willows that are grown mainly on Crown lands.

Pardon me for troubling you.

Respectfully, yours,

(Miss) S. E. BENNETT,
Lyons, N. Y.

ANTISEPTIC TOOTHPICKS.

[Paragraph 207.]

STATEMENT OF ALEXANDER HERZ, OF THE HYGEIA TOOTH-PICK COMPANY, NEW YORK CITY, N. Y.

SATURDAY, *November 28, 1908.*

Mr. HERZ. The antiseptic toothpick, Mr. Chairman and gentlemen, is prepared by being antiseptically treated with permanganate of potash, then sterilized with 260° of heat, and after that it is incased in envelopes, so that it is protected from all contamination.

Mr. CLARK. But 260° of heat will burn it out, will it not?

Mr. HERZ. Yes; I mean 160°.

Mr. CLARK. I saw some not long ago that had the points black.

Mr. HERZ. They are the article I refer to.

Mr. CLARK. They are not antiseptic, are they?

Mr. HERZ. They are prepared in both ways. The American public does not like the brown quills. The toothpicks are prepared with permanganate of potash or with sodium peroxide solution, but preferably with the one that does not make them brown, because the American public is objecting to the brown quills. They think they are the result of iodine or some other matter, and the toothpicks do not look esthetic on the table.

Mr. CLARK. They look as though they had been stuck in iodine?

Mr. GRIGGS. They are not esthetic enough? Is that right?

Mr. HERZ. What do you say?

Mr. GRIGGS. They are not sufficiently esthetic?

Mr. HERZ. Well, they do not look very nice on the table.

Mr. CLARK. What is it you are after, Mr. Washburn? You simply want some language that straightens out the classification, do you?

The CHAIRMAN. You do not want a higher rate of duty than the present law, do you?

Mr. WASHBURN. If the present law is retained on toothpicks pure and simple—that is, the raw material which these people use—naturally they will have no objection. They want a higher rate on the prepared toothpicks to compensate them for the difference in the cost of labor between the United States and Europe. These people pay in this country the girls and women who put up these toothpicks in the way I have shown you from \$6 to \$9 a week. The labor cost in France for doing the same work is from 7 to 9 francs a week.

The CHAIRMAN. Are these antiseptic toothpicks made here or in France?

Mr. WASHBURN. They are made in France and imported.

The CHAIRMAN. Did they start the industry there first?

Mr. WASHBURN. They started there first; yes. It is now done to a certain extent in the United States. We will file a brief on the subject.

Mr. CLARK. The only cost of raw material is the cost of going and gathering up the goose quills, is it not?

Mr. WASHBURN. The raw material, Mr. Clark, which they use consists practically of the quills and the paper, on which, as I say, they pay 60 per cent duty.

The CHAIRMAN. The quill is a by-product of the goose?

Mr. WASHBURN. Oh, yes.

Mr. CLARK. I say, all the raw material costs is the cost of gathering the quills up? Geese are not raised for their quills?

Mr. WASHBURN. Undoubtedly it is a by-product; but they have to pay the rate of duty provided in paragraph 207, by similitude, of 2 cents per 1,000 and 15 per cent ad valorem. That is what they pay on the raw material, and they pay 60 per cent on the paper.

The CHAIRMAN. Is this paper sack put on by machinery?

Mr. WASHBURN. Yes; it is. The curious thing about it is that this manufacturer, getting his drawback on his imported material (that is to say, the duty which he pays on his quills and the duty of 60 per cent which he pays on his paper) is able to compete abroad with these foreign free-trade toothpick manufacturers.

Mr. CLARK. Where is this industry located?

Mr. WASHBURN. It is located in New York. There is also one factory, I believe, in Cincinnati, and factories at one or two other points.

Mr. GRIGGS. Do you consider these necessities or luxuries?

Mr. WASHBURN. That would practically depend on what part of the country you were in, Mr. Griggs.

Mr. GRIGGS. Entirely?

Mr. WASHBURN. Well, partly.

Mr. GRIGGS. We would like to know what part you refer to.

Mr. WASHBURN. It is a necessity with some of us.

QUILL TOOTHPICKS.

[Paragraph 207, under provisions of section 7.]

STATEMENT OF O. H. WASHBURN, OF NO. 12 BROADWAY, NEW YORK CITY, N. Y., RELATIVE TO QUILL TOOTHPICKS.

SATURDAY, *November 28, 1908.*

Mr. WASHBURN. I will come within five minutes, Mr. Chairman, as this is a narrow subject. It is a new industry. There is no provision in the present tariff act for toothpicks of goose quill.

The CHAIRMAN. There is for toothpicks.

Mr. WASHBURN. But not for toothpicks of goose quills. Paragraph 207 provides for toothpicks of wood or other vegetable substances. Quill toothpicks, such as we are all familiar with, are imported and classified by similitude under paragraph 207 at the rate of 2 cents per thousand and 15 per cent ad valorem.

During the last few years, since the present tariff act has been passed, there has sprung up an industry which prepares antiseptically these quill toothpicks and puts them up in these dainty paper coverings that I have shown you.

The CHAIRMAN. I have seen them.

Mr. WASHBURN. Yes; you have seen them. They are on the market. There are people in this country who desire to do this work and who are doing it now to a very limited extent. These toothpicks are prepared, there being no provision for them in the act, and they pay also the same rate of duty by similitude under paragraph 207 which the raw material pays, although the value of the finished ar-

ticle is about three times the value of the raw material. They also pay 60 per cent on the paper which they use, as "smokers' articles," under paragraph 459, because that paper resembles cigarette paper. That is the classification. I have the case in charge for this client—

The CHAIRMAN. What do you want done? I do not understand what you are getting at.

Mr. WASHBURN. I will tell you what I want done, Mr. Payne. I will amplify it in a brief. These people want a one-rate graduated rate of duty on the quills unprepared and an advanced rate of duty for the quills prepared with the coverings, to compensate for the difference in the cost of labor here and abroad.

Mr. LONGWORTH. There is a duty on porcupines now, is there not? [Laughter.]

Mr. WASHBURN. They must be on the free list, Mr. Longworth.

Mr. CLARK. What do they do to these quills? They are as old as America. You do not want a tariff on toothpicks, do you?

Mr. WASHBURN. There is one on toothpicks of wood now.

Mr. CLARK. I understand; but what makes you call them "antiseptic?"

Mr. WASHBURN. Because of the preparation they receive.

Mr. CLARK. What do you do to them?

Mr. WASHBURN. That the manufacturer will have to explain to you.

Mr. CLARK. That industry is as old as America.

Mr. GRIGGS. It is as old as the goose itself.

TOOTHPICKS AND TISSUE PAPER.

[Paragraphs 207 and 397.]

THE HYGEIA ANTISEPTIC TOOTHPICK COMPANY, NEW YORK CITY, ASKS FOR MORE DUTY ON TOOTHPICKS AND LESS DUTY ON TISSUE PAPER.

New York, *December 4, 1908.*

The COMMITTEE ON WAYS AND MEANS,

House of Representatives, Washington, D. C.

DEAR SIRS: We wish to be heard with reference to the adjustment of the tariff on toothpicks. The only provision in the present act is found in paragraph 207, which is restricted to "toothpicks of wood or other vegetable substance." We are engaged in the manufacture of antiseptic and sterilized toothpicks made largely of quills. Our raw material (quill toothpicks) pays the rate of duty provided for in paragraph 208 (2 cents per 1,000 and 15 per cent ad valorem) by reason of the application of what is known as "the similitude clause." Our difficulty lies in the fact that foreign competitors producing our finished article can import them into the United States at the same rate of duty as that which we are required to pay upon our raw material. We mean that the sterilized toothpicks incased in wrappers, although they have increased in value threefold by the process of production, pay also 2 cents per 1,000 and 15 per cent ad valorem under paragraph 207 by virtue of the similitude clause. Not only are we handicapped by this fact, but we are also obliged to pay a 60 per cent rate of duty upon the tissue paper which

we use for wrapping purposes, under paragraph 459 as "smokers' articles," because our tissue paper, although watermarked with our name "Hygeia," and coming in narrow 29 millimeter widths, resembles cigarette paper. This rate of duty is practically prohibitive.

A word of explanation as to the method of manufacture may enlighten your honorable committee. Antiseptic toothpicks are made up of various materials, but usually of quills, and go through a process of sterilization and antiseptic treatment. After this process is finished, they are incased individually in a paper wrapper or put up usually in quantities from one up to ten in a suitable container, wrapper, or tube. The principal materials used in the manufacture of these toothpicks are as follows:

1. Toothpicks of quill or other material.
2. Permanganate of potash or sodium of peroxide, with which the crude toothpicks are antiseptically treated.
3. Tissue paper or other wrapping material in a suitable form and style to make the inclosures or wrappers for the purpose of incasing the toothpicks and protecting them from contamination.

In putting this article on the market we have to compete with a foreign article produced at a difference in labor cost which is enormous. The wages abroad paid to girls who do this sort of work is from 6 to 9 francs per week, while we pay the girls employed by us, for the same character of work precisely, \$6 to \$9 per week. It costs us, including the duty paid upon our raw material, \$122.80 to produce 100,000 toothpicks antiseptically prepared and incased. Our foreign competitors quote a price of \$124.49 for antiseptic incased quill toothpicks in lots of 100,000, delivered in the United States duty paid.

We respectfully ask for a compensatory rate of duty which will adequately protect our finished product. If the present rate of duty (2 cents per 1,000 and 15 per cent ad valorem) is to be retained upon toothpicks of all kinds, either directly or by similitude, we would suggest the following amendment to the present paragraph, based upon the threefold increase in value on the sterilized and incased article:

207. Toothpicks of celluloid or animal or vegetable substances, and natural or made julep straws, whether imported loose or in bulk, or in bundles of more than ten toothpicks or straws in a bundle, two cents per thousand and fifteen per centum ad valorem; but if put up individually in wrappers, tubes, or other containers, or if in packages of not more than ten toothpicks or straws in each package, two cents per thousand and forty-five per centum ad valorem; butchers' and packers' skewers of wood, forty cents per thousand.

As to the watermarked tissue paper which we import and which is now assessed at 60 per cent ad valorem under paragraph 459, we have to suggest (with a view to insuring what would seem to be the appropriate, equitable, and logical classification on such paper) that paragraph 397 be amended to read as follows:

397. Papers commonly known as copying paper, stereotype paper, paper known as bibulous tissue paper, *including watermarked paper imported expressly for covering toothpicks, julep straws, and kindred articles*, pottery paper, and all similar papers, etc.

The proposed new matter is printed in italics.

Respectfully,

THE HYGEIA ANTISEPTIC TOOTHPICK CO.,
Per A. HERZ.

FOLDING RULES.

[Paragraph 208.]

THE STANLEY RULE AND LEVEL CO., NEW BRITAIN, CONN.,
ASKS FOR INCREASE OF DUTY ON FOLDING RULES.WASHINGTON, D. C., *December 1, 1908.*COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The Stanley Rule and Level Company, of New Britain, Conn., is engaged in the manufacture of carpenters' tools, such as iron planes, bit braces, boxwood and other rules.

It has been in the business for more than fifty years, and in some of its branches has been a pioneer manufacturer in this country.

For the purpose of carrying on this business said Stanley Rule and Level Company has invested large sums of money in buildings, machinery, and tools, the machinery and tools being largely of its own devising and manufacture, and it is believed that no one in the United States has better facilities for the production of the same line of goods.

About the year 1899 the company entered upon the business of making the kind of rules known as the "folding," or as it is sometimes called in this country the "zigzag" rule, the word "zigzag" being a trade-mark registered by this company. At the time when it began to make this class of rules, no rules of its kind were made in the United States, so far as is known to the Stanley Rule and Level Company.

These "folding" rules are composed of sections, each section being a thin strip or ribbon of wood adapted to measure 6 inches and overlapping its next neighbor, and pivotally connected therewith, so that when the sections are opened out into alignment, a rule is made to measure from 2 to 8 feet, as may be desired. By this is meant that the union of four sections will make a 2-foot rule, and six sections a 3-foot rule, and eight sections a 4-foot rule, and so on. When the rule is in its folded position it will consist of a number of 6-inch sections superposed one upon another. The pivotal connection between the sections is part of an ingenious joint, usually of steel, to which a large part of the cost of the rule is due, so much indeed as to almost prevent the wood from being "the component material of chief value."

It should be said that some rules are made with 4-inch sections, and a considerable number with 9-inch sections; but what has been said of the 6-inch sections is true of them in every material sense.

From the first, this new branch of its business has had the advantage of the company's general equipment of machinery, and some of its best mechanics have been employed ever since in devising special machinery to save the cost and increase the production.

In spite of its improved machinery and special improved modes of manufacture, this company is now unable to compete with the rules made in Germany, excepting to a limited extent, as hereinafter explained.

The following table gives the prices at which large quantities of German rules are laid down in this country, all charges and duty

paid, along with the cost of corresponding rules as made in the Stanley Rule and Level factory; that is to say, with the cost of the quality of folding rules made during the last year by the Stanley Rule and Level Company—its "Victor" line—to try to meet the competition of the quality of German goods made for the American market, which have gained their strongest hold in this country during the years 1906 and 1907.

Comparison of American and German rules.

[All prices shown below are per one dozen rules.]

German and S. R. and L.—sizes.	German rules cost laid down in this country, duty paid.	German rules, cost, if duty were 45 per cent.	S. R. & L. rules, "Victor" zigzag rules, costs.
2-foot.....	\$0.50	\$0.54	\$0.54
3-foot.....	.75	.80	.80
4-foot.....	.99	1.06	1.07
5-foot.....	1.23	1.32	1.34
6-foot.....	1.48	1.59	1.60
8-foot.....	1.96	2.10	2.01

The foreign rules are largely made in workhouses and prisons, although large quantities are imported which are not so made, and the prices of the latter are substantially the same as the prices of the former. The Stanley Rule and Level Company can, therefore, get no substantial aid from the provision of the tariff relating to prison-made goods.

The encouragement to the manufacture of this rule is so small that no one, excepting the Stanley Rule and Level Company, has undertaken the manufacture of them in this country to any considerable extent, so far as is known.

At the present time the Stanley Rule and Level Company are trying to compete with the foreign goods, and are practically cut off from profits upon goods of the same character and quality as the great bulk of the foreign folding rules.

The Stanley Rule and Level Company does, indeed, do a limited business in making a superior grade of the class of rules under consideration, but the sale of such rules is due to their recognized superior quality and to the great reputation of the company as a manufacturer of excellent carpenter's tools, and the demand is necessarily limited, because German rules can be bought in this country of a competitive character, though not of similar excellence, at a cheaper rate.

The Stanley Rule and Level Company feel that the duty should be such as to enable it to obtain a fair profit upon goods of the same quality as the foreign articles, with which they are compelled to compete.

To enable this to be done, the present duty should be increased, and a duty of 45 per cent will be necessary to enable the Stanley Rule and Level Company to meet German prices and compete on something like even terms.

It is believed that the foregoing figures as to the prices of German rules laid down in this country err, if at all, in being too high, and that the records of the Treasury Department relating to importations will so establish.

It is believed, also, that the investigation of the Treasury Department has established the fact that the German rules herein referred to are made in large quantities in workhouses and prisons.

What has been said as to German rules is also true of Austrian rules of the same kind, although the Austrian rules cost less, rather than more, when laid down in this country.

Attention is directed to the affidavits appended hereto.

CHARLES E. MITCHELL,
Of Counsel.

EXHIBIT A.

Alix W. Stanley, of the town of New Britain, county of Hartford, State of Connecticut, being duly sworn, deposes and says:

I am the vice-president of the Stanley Rule and Level Company, and in such capacity have had the immediate charge of its manufacturing and other departments.

I have read the brief of the Stanley Rule and Level Company to which this affidavit is appended. The statements of fact therein contained are correct. I have made a special study of the cost of German rules of the kind to which this brief relates, as imported into this country, having made a special trip to Germany for that purpose in connection with such study. The prices at which German rules can be and are imported into this country are correctly stated in the brief, the actual cost to purchasers in this country being smaller rather than greater than the figures given. I ascertained that such rules are largely made abroad in workhouses and prisons, and I also ascertained that I could purchase those not so made as cheaply as the products of workhouses and prisons.

The facts given as to the cost of production in this country at the factory of the Stanley Rule and Level Company are also correctly stated.

A duty of 45 per cent is necessary to put the Stanley Rule and Level Company upon a plane of fair competition.

ALIX W. STANLEY.

Subscribed and sworn to before me this 1st day of December, 1908, at New Britain, Conn.

[SEAL.]

WILLIAM J. WORAM,
Notary Public.

EXHIBIT B.

Robert N. Peck, of the town of New Britain, county of Hartford, State of Connecticut, being duly sworn, deposes and says:

I am the sales manager of the Stanley Rule and Level Company, of New Britain, and have been connected with the sales department for more than twenty-six years, during which time I have become intimately acquainted with the business which it carries on, including the business of making and selling rules, as mentioned in the brief.

The statements contained in said brief and those contained in the affidavit of Alix W. Stanley, which I have read, are correct. I accompanied Mr. Stanley on his trip to Germany, and am in a position to corroborate, and do corroborate, what he states as to the prices and conditions there prevailing and as to the prices at which the rules are laid down in this country.

The business of the Stanley Rule and Level Company in making and selling rules of the kind under consideration is due to its good reputation and to the excellent character of its production, which enables it to obtain higher prices

than the prices at which German rules are sold in the American market for a limited production of folding rules. A duty of 45 per cent is necessary to put the American manufacturers upon a par with German manufacturers in competing for the American market.

ROBERT N. PECK.

Subscribed and sworn to before me this 1st day of December, 1908, at New Britain, Conn.

[SEAL.]

WILLIAM J. WORAM, *Notary Public*.

PATTERNS OF WOOD.

[Paragraphs 208 and 616.]

STATEMENT MADE BY JAMES L. GERNON, REPRESENTING THE PATTERN MAKERS' LEAGUE OF AMERICA.

FRIDAY, *November 20, 1908.*

Mr. Chairman and members of the committee, patterns were declared by the courts to enter this country free of duty. They were classified under section 616 of the free list. The Government imposes a duty under section 208 of 35 per cent ad valorem on manufactures of wood.

I understand that it is the intention of the committee to change that section and take out all reference in relation to patterns.

We believe that in addition to that there should be a duty imposed upon patterns.

This is an important business, one of the most important, so far as skill required is concerned, in the country. Pattern makers, as mechanics, are rated as the most skillful mechanics in the country. We find from the fact that they can bring them in free that we are not only up against the question of the free importation, but we are up against the importation of the mechanical improvements.

Of course that has no reference to this particular phase of it. The rate of wages in Europe is about one-third of what it is here. We have gone very carefully over it and we find that the average wages of about ten of the countries in Europe will average about \$7.75, or, we will say, \$8 a week. That is about one-third of the wages of the pattern makers in this country.

MR. DALZELL. You say they have been subjected to a duty?

MR. GERNON. They were brought in here, and the Government imposed a duty, under section 208, of 35 per cent. That is, 35 per cent ad valorem. The courts decided against that. We spent thousands of dollars to fight the matter with the Government.

MR. UNDERWOOD. Will not the conditions now, after the decisions, leave it free trade?

MR. GERNON. Yes. They come in free.

I would like to say this, Mr. Chairman: That while we were in doubt as to whether we came under the title of manufactured wood products or metal products, the Government had imposed the duty under the manufactured wood products, and we thought possibly this was the proper hearing to come to. There has been a good deal said to-day of the question of machinery in Canada. We know and we find that there are about 27 per cent of our men out of work, and we give credit to the English Government and the Canadian govern-

ment. They have, since the 28th of August, imposed a duty that will prohibit all patented articles not manufactured in Canada and Great Britain. We know that in the past few years the ——— (?) plant went into Canada and bought the ——— (?) plant, and they are not manufacturing their product in America. The result is, we are going to suffer, or the American mechanics will, unless there is something of that kind established in this country.

The CHAIRMAN. There is a bill pending now on that subject.

Mr. HILL. Yes; there is a bill pending now on that subject.

The CHAIRMAN. If paragraph 616 was amended to read as follows—

Models of inventions and all other improvements to the arts, including model patterns of machinery, to be used exclusively as models and incapable of any other use—

would that meet your contention?

Mr. GERNON. I do not think so.

The CHAIRMAN. It would meet your contention, would it not?

Mr. GERNON. For this reason. I am not enough of a lawyer to decide. We spent a good deal of money for lawyers. I do not know whether that model pattern would give us the same trouble that we had when we were before the Board of General Appraisers, and we used all the ingenuity of our business to construct a molder's pattern and a model pattern. The board of appraisers decided in favor of us, but the courts decided against us.

The CHAIRMAN. This language was suggested by the assistant counsel for the Treasury Department and approved by the general praisers, in view of the decision of the court.

Mr. GERNON. It might be all right, but the words "model pattern" I do not like. I have the testimony here, taken in that case.

The CHAIRMAN. It is hardly necessary to put "model pattern" on the dutiable list, because it is affected by the very nature of the thing.

Mr. GERNON. Would it not be better if a duty was imposed on patterns, if patterns were put on the dutiable list? It is an important industry. I am afraid that the words "model pattern" in that paragraph are going to give us the same trouble that we have had.

The CHAIRMAN. It seems that these two models of the steamships were brought here for exhibition.

Mr. GERNON. Yes. That is another phase of it. Up to the time that the Government did away with the models in the Patent Office and used drawings that was an important part of our business. We were known then as model and pattern makers. Now there are so few models made in this country we have got down to using the word "pattern." But I remember in that hearing before the Board of General Appraisers the question hinged on a molder's pattern and the model pattern, and we had to spend money, thousands of dollars, to clear that point.

The CHAIRMAN. Yes. It appears that you helped the United States to try the case. If you will see the clerk in the morning you can see the counsel for the Treasury Department and talk it over with him.

Mr. GERNON. All right, sir.

The CHAIRMAN. I think that will be the best way, and probably that can be arranged satisfactorily.

Mr. GERNON. All right, sir; I am much obliged.

JAMES L. GERNON, REPRESENTING THE PATTERN MAKERS' LEAGUE, FILES SUPPLEMENTAL BRIEF.

NEW YORK, *December 10, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Notwithstanding the fact that the membership of the Pattern Makers' League appreciate the intention of the Committee on Ways and Means to amend section 616 of the free list relative to patterns, which change is necessary in view of the decision of the United States circuit court of the southern district of New York and the United States circuit court of appeals permitting free entry of patterns, as the authorized representative of the Pattern Makers' League of North America I respectfully petition your honorable committee and Congress to impose a duty on patterns made of wood, metal, and other material sufficient to afford this important industry adequate protection, such as should be given to American manufacturers and workmen.

When the Government imposed a duty of 35 per cent ad valorem on patterns as manufactures of wood, it did so because the patterns imported were made of wood, but with the introduction of modern methods of molding and the very general use of molding machines the business of pattern making has so developed that, while the principal material used in this industry is wood, metal and other substances, such as plaster, wax, etc., are used to a very large extent, and the pattern maker of to-day must be able to work in all of the above-mentioned materials. For the above reason it is impracticable to simply allow a duty to be imposed on the products of this important industry as manufactures of whatever material they may be made, such as wood, metal, etc. They can only be appraised as "manufactures of wood" when wood is the material used in their construction.

With the modern development of ocean travel, it is only a matter of a few days to send drawings from this country to Europe, and about the same time to ship the finished products to this country. In other words, it is as easy and as quick to make deliveries from Europe to New York as from Chicago to New York or places of equal distance, to say nothing of the enormous advantage as to the cost of labor, which constitutes practically the entire expense in making patterns.

The average pay of pattern makers for a nine-hour day in this country is a little over \$24 per week, as against an average of \$8 per week for a ten-hour day in Europe, with the exception of Great Britain, where they work nine and three-quarter hours per day and five and one-half hours on Saturday.

Following is the rate of wages paid in a number of the principal countries of Europe:

	Per week.
France	\$10. 80- \$14. 40
Great Britain	6. 00- 10. 00
Germany (Berlin)	10. 50- 13. 50
Holland	6. 00- 7. 50
Hungary	9. 00- 12. 00
Spain	6. 00- 7. 00
Sweden	8. 00
Switzerland	6. 00- 10. 00
Russia	

For the reason that it will be impossible to compete with the labor of Europe where the average wage is one-third of what it is in this country, as shown in above list, we trust Congress will give us the protection to which we are entitled, in order that we may maintain the American standard of wages and conditions, and that the pattern makers of this country may obtain a fair amount of employment, which we have not enjoyed in the past, and we hope, with a proper duty imposed, we will be protected and will never again be compelled to assess the men working as pattern makers to support the large number of pattern makers who are forced through idleness to be dependent upon their fellow-craftsmen. During the past nine months the New York Association of Pattern Makers paid \$36,000 to aid the members who were out of work, and during that same period it has cost the national organization over \$200,000 to aid the men who were out of work.

Inclosed is a statement of the wages paid pattern makers in the principal countries of Europe.

Trusting that Congress will realize the necessity of affording this industry protection, I remain,

Very sincerely,

JAMES L. GERNON,
General Vice-President
Pattern Makers' League of North America.

EXHIBIT A.

RATE OF WAGES PAID PATTERN MAKERS IN FOREIGN COUNTRIES.

Spain.—Barcelona, Spain, the rate received per week is 6 pesos, or about \$1 per day in United States money; they work nine and one-half to ten hours per day.

Sweden.—Highest rate paid pattern makers is from 25 to 30 crowns per week, equivalent to \$8 United States money; they work ten hours per day.

Hungary.—Budapest, Hungary, highest rate paid, 45 to 60 kor, or \$9 to \$12 United States money.

Lowest rate paid, from 25 to 35 kor, or from \$5 to \$7 United States money; work ten hours per day entire week. Mostly piecework done in this district.

Scotland.—Clyde district, highest rate paid being 8½ pence per hour, or equivalent to 17 cents per hour United States money; work fifty-four hours per week, nine and three-fourths hours per day and five and one-fourth hours on Saturday. Full week's wages, £1 18s. 3d., or \$9.21 in United States money.

The average rate in the Clyde district being £1 10s., or \$7.20 United States money.

London district pays £2 2s. 9d., or \$10.26 United States money, for fifty-four-hour week.

Bonny Bridge, Falkirk, fifty-four hours per week, paid 35 shillings for a full week's wages (a shilling equivalent to 25 cents United States money).

Newcastle, England, fifty-four hours per week, nine and one-half hours per day, five and one-half hours on Saturday, full week's wages being 38 shillings.

France.—Lowest rate of wages paid being 54 francs, or \$10.80 United States money, the highest rate being 72 francs, or \$14.40 United States money. They work mostly the ten-hour day.

Holland.—Work from ten to twelve hours per day; receive on an average $2\frac{1}{2}$ gulden per day, week's wages varying from 14 to 18 gulden, or from \$6 to \$7.50 in United States money.

Russia.—St. Petersburg, work nine and one-half and ten hours per day; receive for highest rate 15 rubles, the average pay per week being 12 rubles, or \$6.12 United States money.

Germany.—Berlin, highest rate paid pattern makers is from 7 to 9 marks per day, equivalent to \$1.75 to \$2.25 United States money; wages per week, 42 to 54 marks, or about \$10.50 to \$13.50 United States money. Working hours per day, ten.

Switzerland.—Highest rate paid pattern makers, 30 to 50 francs per week, equivalent to \$6 to \$10 United States money; working hours per day, ten.

PORCH BLINDS.

[Paragraph 208.]

AMERICAN DYERS AND BLEACHERS ASK CONTINUANCE OF PRESENT DUTY ON PORCH BLINDS, UNDYED, AND AN ADVANCE FOR THE STAINED OR DYED BLINDS.

WASHINGTON, D. C., *November 24, 1908.*

HON. SERENO E. PAYNE,

*Chairman Committee on Ways and Means,
House of Representatives.*

DEAR SIR: We have the honor to invite your attention to the need of a protective duty on dyed, stained, painted, and printed porch blinds, curtains, shades, or screens, made of bamboo, wood, straw, or composition of wood.

The dyeing and painting of porch curtains is a distinctively American industry, which originated with your petitioners six years ago, and which since has grown to large proportions and is now being copied by the Japanese.

There is no duty established to cover the dyed, stained, painted, and printed porch blinds or curtains.

There are agents in this country who import dyed, stained, and painted porch blinds, or curtains, and during the last three years there has been a strong foreign competition in this merchandise by reason of the cheap labor in other countries, the insufficient duty on same resulting in a loss of duty to the Government and loss of labor to the American workman.

The Japan dyed or stained porch blind, or curtain, sells in America at an advance over the raw porch blind, or curtain, of one-fourth cent per square foot.

By employing American labor and using dyestuffs that pay 30 per cent duty, dyeing and staining can not be equaled in this country for less than three-fourths cent per square foot.

The Japan-painted porch blind or curtain sells in America at an advance over the raw porch blind or curtain of one-half cent per square foot.

By employing American labor and the use of American paints and dyestuffs that pay 30 per cent duty, the painting can not be done in this country for less than 1½ cents per square foot.

The average price of labor for handling these goods in this country is \$2 per day; in Japan, 12 cents per day.

Unless the duty as prayed for is imposed, the American dyers of porch curtains can not compete with Japan labor.

The importation of dyed, stained, painted, and printed porch blinds or curtains is constantly increasing, and, with this increase, unless protection be granted to those engaged in the dyeing and painting in this country they must necessarily retire from the business because of their inability to procure labor at the price made necessary by foreign competition.

Therefore, in order that we may compete with foreign competition, we do earnestly pray and petition your honorable body for a continuance of the present duty of 35 per cent ad valorem on the raw manufactured porch blind or curtain (see par. 208, Schedule D), and that an additional duty of one-half cent per square foot be levied on each dyed and stained porch blind or curtain, and an additional 1 cent per square foot be levied on each painted and printed porch blind or curtain; and that paragraph 208, Schedule D, of the present law, be amended to read as follows:

"Bamboo porch blinds, or curtains, shades, or screens, of bamboo, wood, straw, or composition of wood, natural or raw, 35 per cent; if stained or dyed, 35 per cent and one-half cent per square foot; if painted or printed, 35 per cent and 1 cent per square foot."

Porch blinds, or curtains, are purchased by the square foot, and bill and consular invoice always mention number of square feet purchased in each and every shipment.

If the duties were placed upon the articles as prayed for, we could increase our plants here, employ more men, and run constantly throughout the year.

Respectfully submitted.

R. H. COMEY COMPANY,
Dyers and Bleachers, Camden, N. J.

R. H. COMEY COMPANY,
Dyers and Bleachers, Chicago, Ill.

PARSONS BROTHERS (INC.),
Dyers and Bleachers, Brooklyn, N. Y.

AMERICAN MAKERS OF PORCH AND WINDOW SHADES OF WOOD ASK FOR NEW CLASSIFICATION.

JANESVILLE, WIS., *December 3, 1908.*

HON. SERENO E. PAYNE,

Chairman Ways and Means Committee,

Washington, D. C.

DEAR SIR: We wish to call your attention to the fact that within the past few years foreign porch and window shades, made of wood, bamboo, reed or wood fiber, are being shipped into this country in large and increasing quantities, and that owing to the cheapness of labor and material abroad this importation is seriously affecting our home industry in this line. In fact, with the difference in conditions between the United States and foreign countries, chiefly on account

of the difference in the cost of labor and material which go into the manufacture of shades, the foreign manufacturer can pay the present duty and undersell the home manufacturer in the American market. You are aware of the fact that wood, oil, twine, and steel pulleys, etc., which enter into the manufacture of shades in this country, has greatly increased in price during the past few years, and that the price of labor has also advanced materially within the past nine years since the Dingley law went into effect.

While the cost of manufacturing shades in this country has been advancing, there has sprung up abroad a new and vigorous competition in the shade business, which, owing to the cheaper material abroad and the much cheaper labor, has seriously affected and, if not checked, may prove disastrous to a promising and important American industry.

We therefore would respectfully request and earnestly urge your honorable committee to place an additional duty to the present 35 per cent (see par. 208, Schedule D) of at least 10 to 15 per cent more on all foreign manufactured shades imported into this country. This increase will in some degree help to equalize the changed conditions, owing to increased cost of labor and material since the Dingley law went into effect, and, what is of still greater importance, it will more fairly equalize the differences in the cost of labor and material in this country and in foreign countries.

It is not necessary for us to submit figures showing these differences in the cost of labor and material, for your honorable committee having made a special study of such conditions are already familiar with these facts.

We wish to further call your attention to paragraph 206, Schedule D, which provides that "Chair cane or reeds, wrought or manufactured from rattan or reeds, 10 per cent ad valorem." Now, we notice in paragraph 700, Schedule D, that "Bamboo, rattan, reeds, unmanufactured," etc., are on the free list. Why should not the above items be included in paragraph 206 and subject to the same duty?

These "bamboo, rattans, reeds," etc., which are imported to the United States are to all intents and purposes "manufactured" and not "unmanufactured." It requires considerable labor to manufacture them into the shape they are in when shipped into this country; they are not raw material; they are not in the natural state, and therefore should not be allowed to be imported free of duty, but should be included with "chair cane or reeds, wrought or manufactured from rattan or reeds," as in paragraph 206, and should, in our opinion, be subject to the same duty.

We wish to call the attention of your honorable committee to this evident inconsistency in the present law, and respectfully urge you to consider the importance of correcting the same by placing a duty on "bamboo, rattans, and reeds," the same as on "chair cane or reeds," in paragraph 206, Schedule D.

All of which is respectfully submitted.

Yours, very truly,

THE HOUGH SHADE CORPORATION,
By CHARLES H. BETTS,
EDWARD F. FLETCHER,
Committee of Directors.

WHIPS.

[Paragraph 208.]

**AMERICAN WHIP MANUFACTURERS WISH THE RETENTION OF
PRESENT DUTIES ON THEIR PRODUCT.**WESTFIELD, MASS., *December 17, 1908.*COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The whip manufacturers of the United States in objection to any change or reduction in the tariff on whips submit the following suggestions in the way of a brief:

First. That they represent the manufacturers of whips in the United States.

Second. That the concerns now interested in the manufacture of whips are separate and distinct and are in no way in agreement or in trust relations.

Third. That the whip-manufacturing industry is in volume about \$3,000,000.

Fourth. That the volume of business has not increased materially in the last twenty years.

Fifth. That the small amount of business and the failure of business to increase materially in recent years renders the business unique among the manufacturing industries of the United States.

Sixth. An examination of the causes which have operated to render the business stagnant and of so small volume will disclose conclusively the reasons why the tariff on whips should not be abolished or modified in any way to a reduction of the same.

Seventh. Your petitioners call your attention to the fact that with the coming into general use of the bicycle about twenty years ago, pleasure riding and light driving, in the East particularly, was greatly interfered with, and the use of whips for such driving was very much less and increasingly less on account of the introduction of the bicycle. The whip business at that time and from that cause suffered very seriously, and no sooner had the business approached its normal condition after the introduction of the bicycle when the introduction of the electric street railways again disturbed the business alarmingly. The discontinuance of the use of horses on street cars was universal, as is well known to the committee. The whip-manufacturing industry has never recovered from the loss entailed by the introduction of the electric car and never can, and the constant increase of such railways is a detriment to the whip manufacturer, because the trolley car requires none of that product. The trolley car has supplanted the horse to a great extent for transportation, for pleasure, or profit.

Eighth. During the past five years the whip-manufacturing industry has again been greatly interfered with by the substitution of the automobile for the horse. This substitution which has been going on is constantly and rapidly undermining the business of manufacturing whips. The result of the automobile is seen in the fact that the whip-manufacturing concerns are fewer in number, and the manufacture of high-grade carriage whips is practically a thing of the past. What

promises to be the substitution of the taxicab for the horse cab will itself greatly curtail the present whip business.

Ninth. Again, legislation of the country in various States has been of such a character as to render it unprofitable to raise the light harness horse or the track horse.

Tenth. One of the essential and principal ingredients of the whip is reed. The reed used in the manufacture of whips is now duty free. Except for the fact that whip reed is duty free, it would not have been possible for the whip manufacturers to have in any way maintained their position in the market or to have manufactured whips at a profit, even with the present tariff on whips.

ASSOCIATED WHIP MANUFACTURERS,
By HENRY W. ELY, *Attorney.*

BRIAR WOOD.

[Paragraph 700.]

LEWIS T. LA BAR, HACKETTSTOWN, N. J., RECOMMENDS A DUTY OF FIFTY PER CENT ON LAUREL WOOD.

HACKETTSTOWN, N. J., *November 17, 1908.*

House Ways and Means Committee, Washington, D. C.

GENTLEMEN: I wish to call the attention of your honorable committee to the fact that there is now no tariff upon laurel wood, commercially known as "briar" wood, for pipes. There ought to be a tariff on it of at least 50 per cent, because there are millions of tons of it in this country; but on account of the high price of labor in this country and of the cheap labor in Italy we can not compete with the product of that country. At present this wood comes into this country sawed in shape for manufacture into pipes, and therefore it is not "raw material," and that industry here ought to be protected to at least the extent above referred to. There is now imported into this country about \$500,000 worth of this wood annually, whereas this money should be kept in this country.

The average cost of blocks sawed in shape is about \$2.50 per gross. The business here is practically nothing on account of the lack of protection against the foreign product. The manufactured product (pipes) now has a duty of 60 per cent, which is a reasonable protection to the industry. I wish, therefore, to appeal to your honorable committee to see to it that the above request is granted.

Very respectfully,

LEWIS T. LA BAR.

W. E. MINGEA, OF ABINGDON, VA., RECOMMENDS THAT BRIAR WOOD BE PLACED ON THE DUTIABLE LIST.

ABINGDON, VA., *December 22, 1908.*

Hon. WALTER P. BROWNLOW, M. C.

Washington, D. C.

DEAR SIR: Herewith copy of correspondence with you and the Hon. Campbell Slemple, dated February 4, 1907; also copy of letter September 25, 1908, to Hon. C. B. Slemple; also copy of letter to parties in

southwest Virginia and east Tennessee, all on the subject of getting out ivy roots in your and Mr. Slempp's territory, and the necessary tariff to revive this industry.

Hoping this will appeal to you, I am,

Yours, very respectfully,

W. E. MINGEA,
President and General Manager
Virginia-Carolina Railway Company.

FEBRUARY 4, 1907.

HON. W. P. BROWNLOW, M. C.,

House of Representatives, Washington, D. C.

DEAR SIR: I beg to hand you herewith carbon copy of letter I have to-day written Congressman Slempp, which explains itself. It would be of great assistance to many of your constituents if this business could be revived. Slight inquiry in this connection would convince you of the good it would be to your people.

Yours, truly,

W. E. MINGEA.

FEBRUARY 4, 1908.

HON. CAMPBELL SLEMP, M. C.,

House of Representatives, Washington, D. C.

DEAR SIR: I herewith inclose article regarding brier wood for pipes. There was a large business in this territory, especially along the White Top Fork of Laurel Creek in Washington County and the Tennessee Fork of the same creek in Johnson County. There was a plant at Laurel Bloomery, Tenn., and one at Abingdon, Va., for getting out blocks and making these pipes. The root used was the mountain ivy root. This industry was a great blessing to the people living in Washington County, Va., and Johnson County, Tenn. This business was killed by the Wilson bill admitting these blocks free. I have been intending to take this matter up with you for some little time. Can not something be done by you and Mr. Brownlow to revive this industry, and thus furnish work and money to the people in that district?

I am sending a copy of this letter to Congressman Brownlow, asking his interest in the matter also.

Yours, truly,

W. E. MINGEA.

SEPTEMBER 25, 1908.

HON. C. BASCOM SLEMP,

Big Stone Gap, Va.

DEAR SIR: At the coming session of Congress I believe it would be worth your time and of value to your constituents to look into the matter of pipe blocks for making "French briar-root pipes." Formerly there was a large business in southwest Virginia and east Tennessee in the getting out and shipping of ivy roots for these pipe blocks, and one or two small plants in the same territory for cutting the roots into pipe blocks. The chief item of revenue was to the local people in the mountains in getting out, hauling, and selling these ivy roots. When the Wilson tariff bill was passed, as the writer

is advised, these pipe blocks were put upon the free list, and since that they have been coming in from foreign countries cheaper than our people could get them out of the mountains, haul them to the railroad, and ship them. If there is an infant industry in the United States which needs a little protection, and which would benefit the working man and farmer, it is this pipe-block business.

I would suggest that it would be well for you to discuss this question with Mr. W. P. Brownlow, as it affects his district as well as yours.

Yours, very truly,

W. E. MINGEA.

DECEMBER 22, 1908.

*Messrs. R. E. Donnelly, J. Walter Wright, E. E. Butler, Mountain City, Tenn.; B. W. Wills, Nat Wills, Silver Lake, Tenn.; G. H. Robinson, Laurel Bloomery, Tenn.; G. Frank Robinson, A. A. Mock, S. L. Mock, J. A. Dowler, D. E. Pennington, Damascus, Va.; J. C. Lewis, Taylors Valley, Va.; Gentry Brothers, Park, Va.; W. F. Blevins, Green Cove, Va.; Hassinger Lumber Company, Konnarock, Va.**

GENTLEMEN: Ten years ago there was a considerable business in your country getting out ivy roots for pipe blocks. I am told that this was killed by the Wilson bill taking off the tariff on imported pipe blocks and that when the Dingley tariff was established the duty was not replaced on pipe blocks. I do not know as to the correctness of these details, but I do know the business has been killed. The business in ivy roots gave employment to a good many people and distributed in the aggregate a considerable amount of money. I have taken up the matter with the Hon. Bascom Slemp, Member of Congress of the Ninth Virginia District, and Hon. W. P. Brownlow, of the First Tennessee District, asking them to use their efforts to have the tariff put upon imported pipe blocks so as to revive the industry in southwest Virginia and east Tennessee. I would recommend that you write to these two Members of Congress along the same line and that you get other parties in your section to write to them also.

Yours, truly,

W. E. MINGEA.

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